1

INTRODUCTION TO MARKETING RESEARCH

Unit Structures

1.0 OBJECTIVES

- To study the importance and scope of Marketing Research.
- To understand the Marketing Information System.
- To understand the Structure of Marketing Research Studies.
- To get a detailed perspective on Marketing Research Process.

1.1 INTRODUCTION

The methodical collection, logging, and analysis of pertinent market data for corporate activity planning and growth is marketing research in contemporary marketing operations. It serves as a tool for making informed choices about the marketing of goods and services. It is a method based on science for addressing issues in marketing such as buying, selling, promoting sales, advertising, and distribution networks, among others.

Definition:

Philip Kotler - "Marketing Research is the systematic problem analysis, model building and fact finding for the purpose of improved decision making and control in the marketing of goods and services."

Clarifying the connection and distinction between marketing research and marketing information systems is crucial before moving on (MIS). MIS includes any information that is produced by marketing research from internal, external, and Marketing Intelligence Agencies (Marketing Information System).

A collection of structured processes known as Marketing Information Systems (MIS) are used to continuously produce, analyze, store, and distribute information to marketing decision makers.

1. MIS information is continuously produced, whereas marketing research is conducted with a specific goal in mind and information is generated at the time it is conducted.
2. While marketing research is an ad-hoc system, MIS is a continuous entity.
3. MIS information is more structured and stricter than marketing research information because it is not used for general purposes.

For making strategic market decisions, marketing research is crucial. It aids a business in determining the market's prospects and limitations, designing, and putting into practise market strategies, and assessing the success of marketing tactics. As the sellers need to know more about their ultimate consumers yet are typically far away from those consumers, it is a rising and commonly used business activity. The link between marketing decision-makers and the markets in which they operate is marketing research. Several key ideas for conducting marketing research are included to produce knowledge that is helpful to managers. These guidelines concern the relevance and significance of data, the value of cautiously and clearly stating objectives, and the need to avoid undertaking research to justify decisions.

1.2 NEED AND SCOPE OF MARKETING RESEARCH

Need for Marketing Research:

Figure 1.1

1. Finding market issues and opportunities:

It aids in finding new market potential for both new and existing items. It offers data on market share, the competitive landscape, customer satisfaction scores, sales results, and distribution channels. This aids businesses in problem-solving.

2. Creating market strategies:

Markets are no longer regional in today's world. They now exist everywhere. Manufacturers have trouble managing distribution channels and getting in touch with customers. The level of competition is similar. It's challenging to foresee consumer needs. The task of market segmentation is challenging in such expansive marketplaces. In addition to aiding in the formulation and execution of market strategies, marketing research provides marketing information.

3. Determining the requirements and desires of the consumer:

Marketing has turned customer centric. However, mass distribution requires middlemen for large-scale production. There is a gap in the information since several methods of distribution are so common. Marketing research aids in the collection of consumer data from organised distribution research and aids in the customer-oriented development of marketing.

4. For an efficient communication mix:

Communication is essential in a time when mass marketing is being replaced by micromarketing. Promotional research is used in marketing research to examine the media mix, the efficacy of advertising, and integrated communication methods. A company's product can be efficiently promoted in the market by conducting research on such topics.

5. Increasing sales efforts:

Marketing research is used to assess and analyse a company's performance within a market. The effectiveness of a sales force is also studied. It facilitates locating sales territory. Such data aids businesses in detecting sales-related weak spots. It also looks at different strategies for product distribution.

6. For sales forecasting:

maintaining optimal inventory levels is the most difficult duty for any production manager. Production is started, nonetheless, in anticipation of demand. So, a sales prediction based on science is necessary. Utilizing the market share approach, sales force estimate method, and jury method, marketing research aids in sales forecasting. Fixing sales targets and marketing strategies may also benefit from this.

7. Rejuvenating existing brands:

Marketing research is done to analyse and determine the current brand position. It determines a brand's recall value. It investigates the possibility for expanding brands or renaming already existing ones. Building brand loyalty is marketing's primary goal. Research in marketing aids in the creation of strategies for promoting and sustaining brand loyalty.

8. To ensure a smooth launch of new products:

Marketing research aids in evaluating new products on a modest scale in one or two markets. This aids in determining consumer reaction to new products and the creation of an effective marketing mix. It exposes the issues that customers have with brand-new products. As a result, it manages the risk associated with launching a new product.

9. Assess export prospects:

The growth of communication and transportation has aided in the globalisation and digitalization of trade. This has aided in accelerating the expansion of global marketplaces. Conducting a market analysis for export benefits from marketing research. It gathers data about the country's current marketing environment. It identifies export potentials by gathering consumer data from many nations.

10. Managerial decision-making:

By providing decision-makers with pertinent, current, and accurate data, marketing research plays a crucial part in the decision-making processes. To understand client demands and wants, the state of the market, technical advancements, and the level of competition, managers need up-to-date information.

Scope of Marketing Research:

The areas or components that are covered or researched under marketing research are referred to as its scope. In other words, it suggests possible applications for marketing research. Practically every aspect of marketing management is addressed through marketing research. Its breadth is extensive and all-encompassing.

Figure 1.2

1. Product Research:

Products include both goods and services. All topics pertaining to a company's products are covered by this section of marketing research.

It investigates and resolves issues with products like:

- Determining uses for the current items.
- Researching the features and performance of products.
- Researching the physical and psychological characteristics of products.
- Analysis of competitive products in comparison.
- Identifying issues that customers have with the products.
- Determining the need to create new items.
- Study of the product life cycle and consumer adoption.
- Analysis of branding, packaging, labelling, after-sales services, and commenting.
- Evaluation of a new product's marketability, including market testing.

2. Research on Market:

Consumers and the market are the focus of this field of marketing research. It investigates the traits and make-up of the target markets. Both current and future markets are covered.

This includes,

- Identifying and choosing the target market.
- Researching the wants and needs of the target market.
- Analysing territorial sales opportunities and potential.
- Establishing sales territories and quotas.

- Conducting market share analyses.
- Researching the relative profitability of various markets.
- Estimating the demand for a new product.

3. Research on Sales Methods and Policies:

Particularly, this branch of marketing research is concerned with the investigation and evaluation of sales-related activities.

The following are just examples of the many topics within this heading:

- Reviewing and analysing sales data.
- Examining sales territory in terms of products, order sizes, timing, terms, and techniques.
- Research on salespeople's productivity and activities.
- Assessing current selling strategies.
- Management of the sales force, including its size, salary, training, and control.
- Research on the effects of different promotional methods, including advertising, personal selling, sales promotion, and publicity tools on sales.
- Research on sales department organisation structure.

4. Research on Advertising:

One of the effective strategies for market promotion is advertising. Most of the promotional expenditure goes towards advertising efforts. Therefore, it is essential to carry out research on many advertising-related topics.

This includes:

- Comparative analysis of various promotion-related elements.
- Research on the purpose of advertising, the use of media, the choice of media, the advertising message, theme, and copy.
- Government limits on advertising.
- Social aspects of advertising.
- The role of advertising in various stages of the life cycle of a product.
- Studies on the expenses and contribution of advertising or assessing advertising effectiveness.

5. Research on Pricing:

A key component of the marketing mix is price. Price is very important in developing and impoverished nations. Achieving marketing objectives can be positively impacted by using appropriate pricing policies and techniques. It is evident that cost has continued to be a significant factor in purchasing decisions.

This includes:

• Research on pricing goals.

• Research on the efficacy of pricing policies and strategies.

• Research on various price-setting techniques.

• Quality vs. value analyses.

• New product and pricing policies

• Research on the effects of seasonal, allowance, and discount variables.

• Pricing methods for various product life cycle stages.

6. Research on Distribution:

Distribution has a special function in modern marketing to determine a product's success. By creating a suitable distribution network, a marketer can help to increase overall consumer happiness. The physical distribution and the channel of dissemination are two crucial elements of this research.

This includes:

- Evaluating the contribution of distribution choices to the accomplishment of marketing objectives.
- Comparative analysis of direct and indirect distribution.
- Distribution in physical form and supporting services.
- Research into various distribution channels.
- Study of pertinent variables influencing channel decision or selection.
- Comparison of corporate distribution tactics with those of rivals.
- Relevance of online marketing.
- Distribution-related legal difficulties.

7. Research on Business Environment and Corporate Responsibility:

This topic does not directly address any marketing issues. Such research is carried out to gather and analyse facts pertaining to the general business environment. The area study aids managers in developing strategies for both the existing and future markets. In respect to the corporate environment, it also aids in evaluating the marketing department's strengths and weaknesses. The analysis of numerous economic, social, and cultural elements is crucial in the fast-paced corporate climate of today. Like this, corporate accountability needs to be examined.

Main aspects covered under this include:

- A business study that considers factors such as demand, gross domestic product, per capita income, trade and industry, economic growth rate, fiscal and monetary policies, and export-import regulations.
- Business forecasting for the short- and long-term.
- Technical considerations.

- The availability and calibre of useful resources.
- The effects of laws and other regulations.
- Research on consumer rights and consumerism.
- Values from society and culture that influence company strategy.
- Environmental imbalance, business social responsibility, and pollution.

The major users of Marketing Research are:

Figure 1.3

1. Consumer:

It should go without saying that the consumer is king in any setting where there is competition. In the end, consumers are the source of all sales revenue. Therefore, understanding the customer behaviour of a target market is essential for every company. Marketing research identifies the needs of consumers for goods and services as well as the variables that influence those needs.

2. Market Intermediaries:

The producers and the purchasers at the end of the supply chain are connected through market intermediaries. A channel must be used to introduce a product to consumers and get it in front of them. A company can choose the best kind of channel with the use of marketing research.

3. Company Concerns:

Every business concern wants to increase both its market share and profitability to strengthen its position in the market. When making decisions in these situations, marketing research is a crucial and highly effective instrument.

4. Marketing research companies:

There are many specialist companies that undertake marketing research on various market segments, both existing and potential. For performing specialised research, they have experts. The parties involved may delegate the pertinent projects to these research agencies. They create research papers for their clients based on their findings.

5. Government:

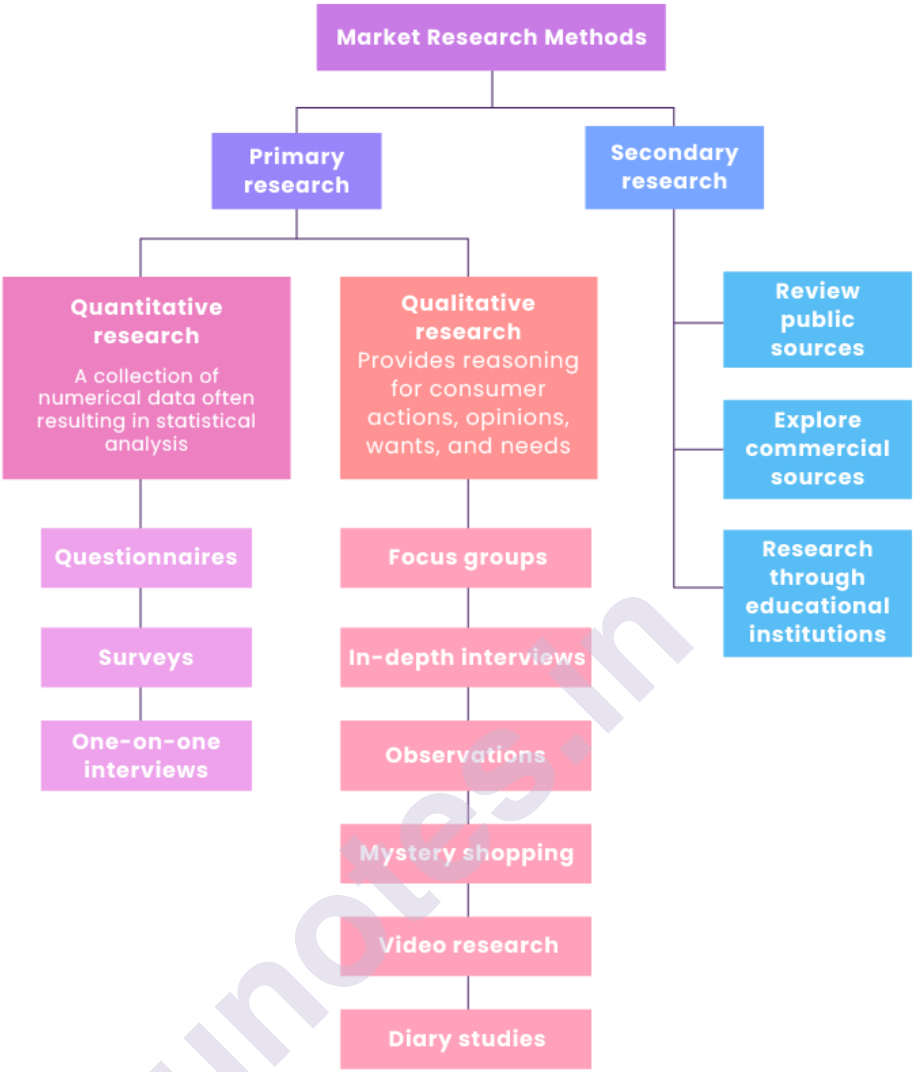
The government also conducts research in a variety of fields. Consider price indices. income per capita, etc.

6. Producers:

A market that is competitive is always being inundated with new goods, brands, and alternatives. Cutthroat competition is a constant threat. He discovers that the methods that were successful in the past are no longer effective. Here, Market Research aids in the situational analysis.

1.3 STRUCTURE OF MARKETING STUDIES

The field of science known as marketing studies is focused on developing a deeper understanding of customer requirements in the context of business markets and identifying solutions to marketing issues from a micro-research perspective. Scientific methodologies are used in marketing studies to take into account the real-world business-related marketing difficulties. This entails taking into account the methods of marketing studies at the university level. A marketing scientist with a strong instrumental-technical background is, however, also trained to conduct critical research into all types of marketing phenomena under intellectual directions like interdisciplinarity, praxis, theoretical openness, historical depth, systemic, and dialectic for advancing macro-critical perspective of marketing and consumer research through the adoption of macro and critical approaches.



Source: rubygarage.org

When performing primary research, one must either gather the necessary data individually or engage a business or professional.

Primary research techniques are separated into two groups:

- Quantitative: Gathering numbers for statistical analysis (in the case of a driving app, this could be preferred wait times, subscription prices, trip costs, etc.)

The most widely used quantitative techniques for product market research include:

I. Questionnaires: Using a survey platform like SurveyMonkey or Google Forms, you may ask clients pertinent questions to better understand your target demographic.

II. Surveys: Utilizing forms and other data collection techniques to learn more about a target clientele. Based on gathered data, a researcher creates a statistical overview to investigate trends.

III. One-on-one interviews: In these conversations, which are typically held over the phone or through messaging services, the interviewer asks each participant a specific question to compile their responses and produce a statistical report.

Qualitative: Gathering data on what influences certain customer choices, actions, attitudes, requirements, and preferences (like preferred car models, notification types, etc. for the driving app.)

Qualitative research methods can include:

I. Focus groups: These are interviews conducted in one session with many participants. You may see the distinctions between people in other groups, such as your different consumer kinds, by facilitating a debate between participants.

II. In-depth interviews:Extensive interviews conducted in person, over the phone, through video chat services, or both, typically videotaped for further study. To identify important personas and comprehend how they interact with a product or service you are going to develop, a researcher typically conducts interviews with up to twelve people.

III. Observations: Observing participants' conduct in hypothetical scenarios to provide trustworthy insights about real-world customer behaviour.

IV. Mystery Shopping: Investigating the customer experience by employing customers who aren't known to the personnel of the store. To uncover details of the purchasing experience, mystery shoppers adhere to the plan established by the researcher.

V. Video research: Customers are interviewed on camera while they are in the specified place or remotely using specialist platforms like Voxpopme.

VI. Diary Studies: Information gathering through participant logging of daily activities, encounters, or other parts of the study

Secondary research relies on information that has previously been gathered by others, such as studies, reports, and historical data. This is sometimes referred to as desk research.

- Review publicly available information about your research topic.

For Example: Published market studies, official statistics, white papers, analyst reports, surveys that include findings from competitors, interviews, reports from specialised marketing agencies.

- Examine commercial information like newsletters, pamphlets, magazines, trade publications, newspapers, and other paid sources.

- Conduct research through educational sources like libraries, studies conducted in colleges and universities, coursework, etc.

One of the most well-liked and affordable methods of gathering secondary data is through data that is readily available online. However, in order to obtain precise, significant results, firms must only take into account genuine, reliable sources.

1.4 MARKETING RESEARCH PROCESS

The successive steps of the marketing research process enable the efforts to be concentrated on comprehending and resolving client concerns.

Marketing research is just as valuable as the data it gathers. Because of this, it's essential to follow a step-by-step procedure that ultimately results in the collection of reliable data that can be used to make decisions. The road map to success can be found in the steps below.

This process comprises a few related, interconnected tasks that influence one another. The many steps involved in the marketing research process are as follows:

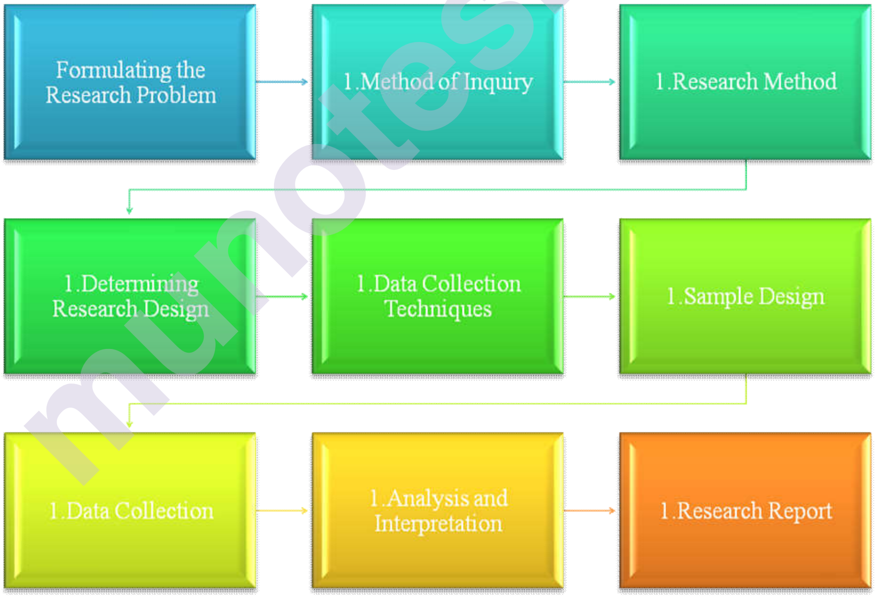


Figure: 1.4

1. Formulating the Research Problem

The initial step in the research process is to formulate a problem. In many cases, a management issue serves as the starting point for study. It is necessary to comprehend this issue, identify its root, and design solutions. Most management issues, meanwhile, are not necessarily simple to study. A research challenge must first be converted from a management problem.

Research question must be prepared after the research problem is established. A research question provides the study's focus. A hypothesis or set of hypotheses can be developed from the research topic to direct the investigation. The link between two or more variables should be described in a hypothesis, and the hypothesis should have obvious consequences for testing the relationship.

- Clearly outline your study objectives. This will enable you to do efficient research. It will aid decision-makers in assessing your proposal. It's essential to have attainable goals.

- Review the problem's environment or context to find the environmental factors that will influence the study activity.

- Examine the Problem's Nature - The complexity of a research problem depends on the number of variables involved and how they are related. As a researcher, it will be easier to create a remedy if you are able to comprehend the nature of the issue.

- Identify the Relationships Between the Variables - Find out which variable influences the problem's solution, how much each variable is under your control, and how they work together.

- The Consequences of an Alternative Course of Action - Every course of action has repercussions. An important task in the research process is anticipating and describing the repercussions of different actions.

2. Method of Inquiry:

The accepted research paradigm is the scientific method. It gives you the chance to start with what you already know and move forward objectively. The following steps are part of the scientific method: -

✓ Create a problem.
✓ Develop a hypothesis.
✓ Make predictions considering the hypothesis.
✓ Test the hypothesis.
✓ Carry out the test.
✓ Analyse the result.

The nomenclature is the same as what is used for the various stages of research. However, there are minute variations in how the stages are carried out. In contrast to the research process, which might be subjective, the scientific approach is objective. Quantitative research that has an objective focus is dependent on unbiased analysis.

3.Research Method:

Research using experimental methods and research using non-experimental methods are the two main methodologies that can be utilised to address any research subject. The benefit of experimental research is that it allows for the manipulation of one or more variables that affect the process being used, as well as the control of unimportant variables. While observation is permitted in non-experimental research, action is not. Just keep an eye out and report anything you find.

4. Research Design:

A blueprint or framework for carrying out the study and gathering data is called a research design. It is described as the precise techniques and steps taken to gather the required data.

5. Data Collection Techniques:

There are several methods for gathering data. Interviews and observation are two crucial techniques to take into account.

Interviews are necessary to pose questions and get answers. Face-to-face, postal, telephone, email, and online interviews are frequently used for research communication. Survey research refers to this broad range of research methods. Both experimental and non-experimental research uses these strategies.

Observation is another method of data collection. Future purchasing decisions can be predicted by observing past or present behaviour of a person or corporation. Analysing corporate records and reading studies from outside sources are two methods for gathering data on prior behaviour.

6. Sample Design:

Rarely will the marketing research project look at the complete population. Utilizing a sample, a more manageable yet accurate representation of the larger population, is more practicable. To design the sample, the following questions must be addressed:

- ✓ Which base population would the sample be drawn from?
- ✓ How is the sample selection process carried out?
- ✓ How large was the sample?

We have a base for the sample once it is evident which population is relevant. We will be able to draw conclusions about a larger population as a result. Probability sampling and non-probability sampling are the two ways to choose a sample from a population. The probability technique depends on selecting a representative sample of the entire bigger population at random. Non-probability is based in part on the investigator's judgement and frequently uses convenience samples or other non-probability-based sampling techniques.

Choosing the right sample size is the last step in the sample design process. Making decisions about cost and accuracy is a crucial step. Larger samples typically have lower sampling error and higher accuracy, but they are more expensive.

7. Data Collection:

This step of the process may need a sizable workforce and a sizeable piece of the money, depending on the method of data collecting. Using a data collection agency may be necessary for personal (face-to-face) and telephone interviews (field service). Internet surveys can be finished in days rather than weeks or months, need less staff, and are less expensive.

8. Analysis and Interpretation

Data analysis must be done correctly if it is to be of any benefit. The types of information one collects, and the kinds of measures employed determine the efficiency of different analysis procedures. The choice of analytic techniques should be made prior to this stage because they are dependent on the data gathering.

9. Research Report:

The research report serves as the process's conclusion. This report will contain all the details, including a precise account of the research methodology, findings, conclusions, and suggested next steps. The report ought to give the decision-maker all the data they require to comprehend the project. Additionally, it must be written in clear, simple terms. Finding the right balance between thoroughness and conciseness is crucial.

1.5 SUMMARY

❖ Marketing research concerns itself with almost each activity of marketing management. Research on Business Environment and Corporate Responsibility is an important component of marketing research.

❖ The study of the business environment helps manager formulate strategies for the current and the future market as well as assess strengths and weaknesses of marketing department in relation to Business Environment.

❖ Main aspects covered include analysis of demand, demand, per capita income, trade and industry, economic growth rate, fiscal monetary policies, and export-import policy. Marketing research locates the consumer requirements of goods and services and the factors upon which they depend.

❖ Scientific methodologies are used in marketing studies to take into account the real-world business-related marketing difficulties. A marketing scientist with a strong instrumental-technical background is, however, also trained to conduct critical research into all types of marketing phenomena under intellectual directions like interdisciplinarity, praxis, historical depth, and dialectic.

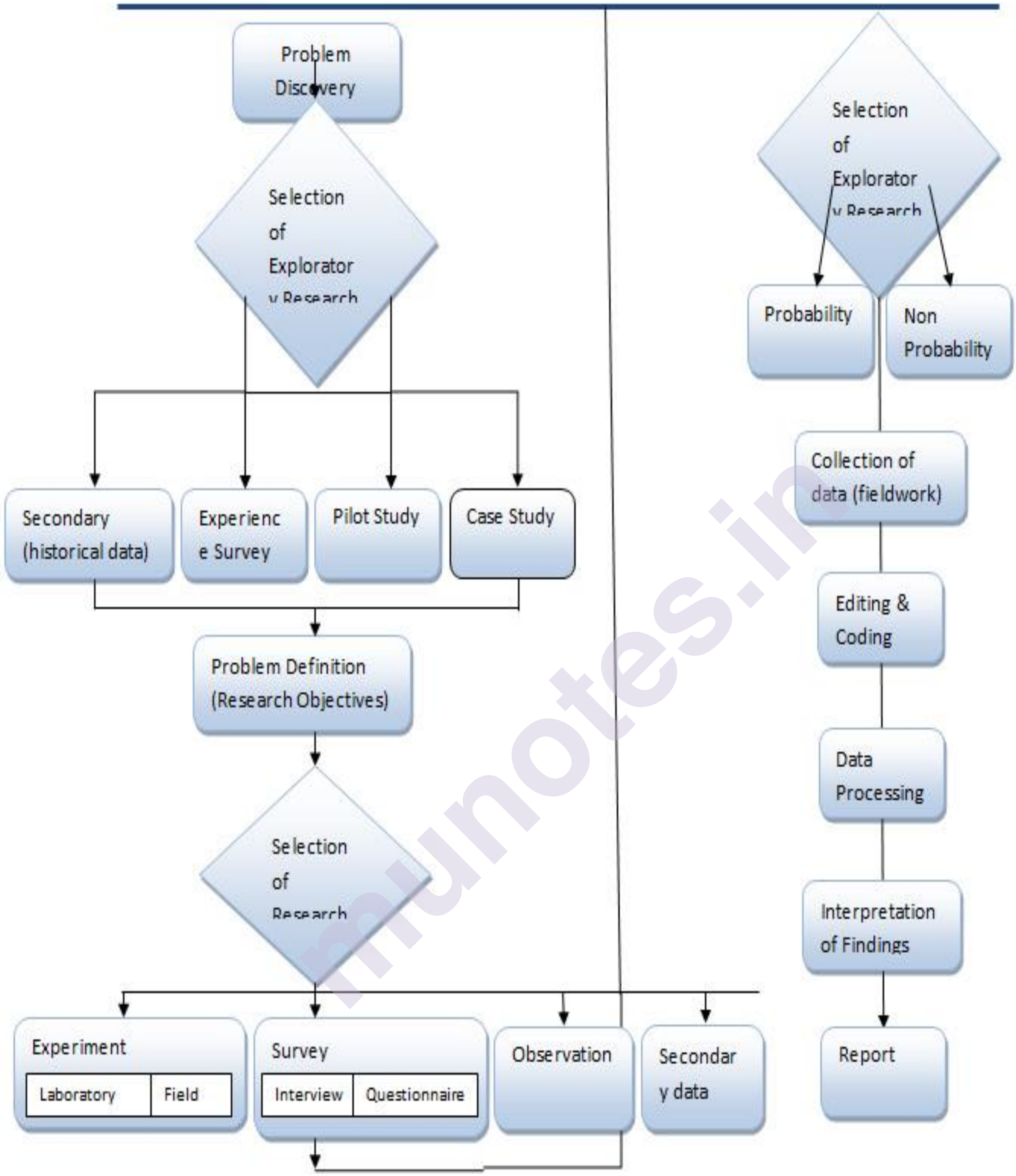
❖ Observation is an attempt to observe participants' conduct in hypothetical scenarios to provide trustworthy insights about real-world behaviour.

❖ Data collection requires a sizable workforce and a sizeable piece of money. Analysis and interpretation must be done correctly, and the choice of analytic techniques should be made prior to this stage. Research report should contain all the details, including a precise account of the research methodology, findings, conclusions, and suggested next steps.

❖ A research question must be prepared after the research problem is established, and a hypothesis or set of hypotheses should be developed from the research topic to direct the investigation.

❖ To ensure efficient research, it is important to clearly outline objectives, review the problem's environment or context, examine the problem's nature, identify the relationships between the variables, and anticipate and describe the repercussions of different actions. The accepted research paradigm is the scientific method, which involves creating a problem, developing a hypothesis, making predictions, testing the hypothesis, carrying out the test, analysing the result, and designing a research design.

For Reference:



Source: managementstudyguide.com

CASE STUDY

Zomato's new deep discounting strategy

Abstract

One of the top food service aggregators in India, Zomato, got into a fight with some of its restaurant partners over the practise of giving customers large discounts. On August 15, 2019, hundreds of restaurants affiliated with the National Restaurant Association of India (NRAI) started a logout campaign and removed their listings from FSA platforms like Zomato, EazyDiner, Nearbuy, Magicpin, and Dineout. They claimed that the aggregators had distorted the food service industry through predatory pricing and aggressive discounting, which hurt the restaurants' core value proposition and bottom line. Particularly Zomato faced harsh criticism because, as of August 2019, it has 6,500 restaurant partners and 1.1 million customers in India for its premium subscription-based dining service Zomato Gold (ZG).Around 2,500 eateries unlogged from the ZG service as part of the campaign. Deepinder Goyal, co-founder and CEO of Zomato, encouraged restaurants to halt the logout campaign for the benefit of customers. He modified the ZG programme and acknowledged that Zomato had made several errors. NRAI, however, declined to accept the revised plan, claiming that the corrective actions would not address the primary problem of deep discounts. Goyal then declared that he will uphold the modifications. Even food delivery was added to the ZG service by him. Time was quickly running out for Goyal, though, as Zomato was in danger of being surpassed by competitors. In order to serve the interests of all parties involved, he would have to find a rapid solution.

Introduction

In response to what they deemed to be unsustainable deep discounting practises, over 300 restaurants affiliated with the National Restaurant Association of India (NRAI) launched a Logout campaign and removed themselves from the platforms of some major food service aggregators (FSAs) on **August 15, 2019,** including Zomato, EazyDiner, Nearbuy, Magicpin, and Dineout. The campaign intended to free the restaurant business from aggregators who, it was said, had affected restaurants' primary value proposition and bottom lines by distorting the food service industry through aggressive discounting and predatory pricing.One of the largest food delivery startups in India, Zomato, was one of the FSAs. As of August 2019, ZG had 1.1 million customers in India and 6,500 restaurant partners, making it one of the top subscription-based eating out services. The ZG service was logged out by almost 2500 eateries.

Background Note

Two Bain & Co. workers from Gurgaon, Deepinder Goyal and Pankaj Chaddah (Chaddah), co-founded Zomato in 2008 under the name Foodiebay.com. Goyal got the idea for an online restaurant information service after observing their coworkers waiting in line at the workplace cafeteria each day to browse through a file of restaurant menu cards to buy food. The menu cards were scanned and entered an intranet website. Soon, many workers began utilising the service. After seeing the high volume of visitors, Goyal and Chaddah made their website public in 2008.By the end of 2008, the Delhi NCR restaurant directory on the website foodiebay.com had grown to be the largest in the area. Foodiebay changed its name to Zomato in 2010.

Excerpts

ZOMATO GOLD

Zomato's losses soared by more than three times to Rs 4.41 billion in the 2016 fiscal year. Concerns about the company's significant investments in online meal delivery services were raised by the company's extremely high cash burn, which was estimated to be US$4.2 million on average each month. In November 2017, Zomato introduced Zomato Gold (ZG), a premium, subscription-based dining out programme, in an effort to reduce losses and gain market share in India's dine-out sector. Customers may receive free meals (1+1) and drinks (2+2) for every order they placed at specific partner restaurants thanks to the special membership programme.

ZOMATO IN THE SOUP

According to a report by NRAI, the food service industry in India was valued at about Rs 4,238 billion as of March 2019. (See Exhibit II). And a large portion of this expansion was credited to the development of food delivery services. The number of orders placed on these ordering apps climbed from approximately 1.7 million per day in 2018 to roughly 2.2 million per day in 2019, according to consultancy firm Redseer. To draw customers and increase the volume of orders placed on their platforms, major aggregators provided steep discounts.

OLD WINE IN A NEW BOTTLE?

As the Logout campaign continued unabated, Goyal declared that Zomato was willing to make changes to the ZG programme to fix any issues. In the sake of patrons, he urged restaurant owners to put an end to the campaign. He claimed that ZG had attracted bargain hunters who were harming various sectors of the restaurant business.

THE DEADLOCK CONTINUES

Analysts believed that the logout could weaken Zomato's company, particularly since 12% of its revenues came from ZG, even as restaurants continued to remain locked out. By the end of 2019, the programme was allegedly projected to generate around $25 million in revenue, underscoring the value of the service to the business.

EXHIBITS

Exhibit I: Zomato Revenues and Expenses (FY18 and FY19)
Exhibit II: Growth Projection of Organised and Unorganised Segments in Food Service
Exhibit III: Some Major Food Aggregators in India
Exhibit IV: Funding and Investor details of Some Major Food Aggregators in India

1.6 QUESTIONS

1. What do you mean by Marketing Research? Explain its importance.

2. Explain the Structure of Marketing Research Studies.

3. Explain Marketing Information System.

4. Difference Between MIS (Marketing Information System) and Marketing Research.

5. Elaborate the Marketing Research Process.

6. Short Notes:

I. MIS (Marketing Information System)
II. Marketing Research Process

7. Multiple Choice Questions:

a. A blueprint or framework for carrying out the study and gathering data is called a ________.
(Research Design, Experimental Research, Sample Design)

b. _______ are interviews conducted in one session with many participants.
(Focus Groups, Surveys, Observations)

c. ________are Information gathering through participant logging of daily activities, encounters, or other parts of the study.
(Mystery Shopping, Diary Studies, Video Research)

d. ________relies on information that has previously been gathered by others, such as studies, reports, and historical data.
(First Hand, One-on-one interviews, Secondary Research)

e. The benefit of _________is that it allows for the manipulation of one or more variables that affect the process being used, as well as the control of unimportant variables.
(Experimental Research, Quantitative Research, Historical Research)

f. __________is based in part on the investigator's judgement and frequently uses convenience samples or other non-probability-based sampling techniques.
(Cluster, Non-Probability, Snowball)

g. __________is used in marketing research to examine the media mix, the efficacy of advertising, and integrated communication methods.
(Promotional Research, Marketing Research, Qualitative Research)

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2

QUALITATIVE ANALYSIS

Unit Structure

2.0 OBJECTIVE:

- To understand the fundamentals of Qualitative Research.
- To study the concept of Brainstorming and its importance.
- To understand Projective Technique and its importance.
- To understand the concept of In-depth Interviews.
- To understand the concept under tests.

2.1 INTRODUCTION

Meaning

Focus groups, in-depth interviews, and other cutting-edge research techniques are all significantly incorporated into the open-ended question (conversational) research process known as qualitative analysis. It is based on a small but highly valid sample of responders, often between 6 and 10. It is the investigation of the elements influencing consumer behaviour in a particular market. The goal of qualitative research, for instance, might be to understand consumers' purchasing motivations in the commercial market, such as what they think of a product and why they believe that way. A common focus of qualitative research is on very small sample sizes, which enables in-depth examinations of the subjects.

This approach contrasts from quantitative research in that the latter generally employs statistics to respond to binary queries, such as how many or how much, whereas the former concentrates on data collection. Are most customers satisfied with this product, for instance, are questions that quantitative research can answer. and "How many sales have we made of this product?" But with qualitative research, questions like "why do buyers like the product" or "what circumstances drove the sales" might be asked. The samples' "importance" and the lack of a clearly defined questionnaire permit free and in-depth discussion and examination of subjects, while the tiny size allows for cost savings. Usually, the interviewer or market researcher chooses where to take the conversation. Understanding people's viewpoints, feelings towards the issue, and the driving forces behind those feelings is essential to understanding how they behave.

Types of Qualitative Research Methods

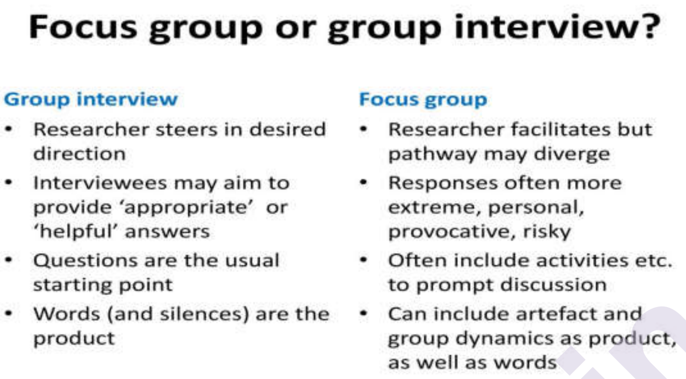
Source: questionpro.com

Qualitative research techniques are made to help you understand how a target audience behaves and thinks about a particular subject. Numerous qualitative research techniques, including in-depth interviews, focus groups, ethnographic studies, content analyses, and case study studies, are frequently employed.

Results from qualitative methods are more descriptive, and inferences may be made from the collected data relatively simply.

It was the social and behavioural sciences that first developed qualitative research techniques. Our environment is more complex now, making it challenging to comprehend how people think and view the world. That is easier to grasp because online qualitative research methodologies are more conversational and descriptive.

1. One-On-One Interview: One of the most popular qualitative research techniques is conducting in-depth interviews. One respondent is interviewed one-on-one in a personal setting. This approach is entirely conversational and provides chances to probe the respondent for specific information.



One benefit of this approach is that it gives you a fantastic chance to collect detailed information about people's beliefs and motivations. If the researcher is skilled and knowledgeable, asking the proper questions can aid in the collection of relevant data. The researchers should ask such follow-up questions that would assist them in gathering more information if they should need more.

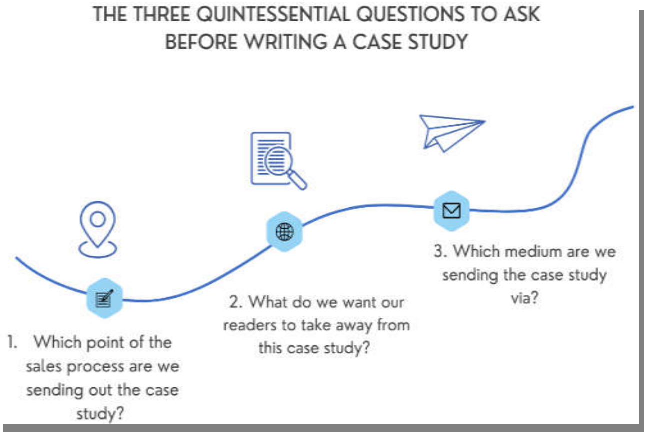
These interviews can be conducted in-person or over the phone and often last anywhere from 30 minutes to two hours or longer. Face-to-face in-depth interviews provide a better opportunity to interpret respondents' body language and match their responses.

2. Focus groups: One more frequently employed qualitative research technique for data collection is the focus group. A focus group typically has six to ten participants who are members of your target market.Finding the answers to the "why," "what," and "how" questions is the focus group's major goal. Focus groups have the advantage that you do not always have to contact with the group in person. Today, focus groups can be surveyed online using a variety of devices, and responses can be gathered instantly.Compared to other online qualitative research methodologies, focus groups are an expensive method. They are typically employed to clarify intricate procedures. When it comes to testing innovative ideas and conducting market research on new products, this strategy is incredibly helpful.

3. Ethnographic Research: The most in-depth observational technique for seeing individuals in their natural surroundings is ethnographic study.With this approach, the researchers must adjust to the contexts of their target audiences, which may be found everywhere from an organisation to a metropolis or in a remote area. Here, geographic restrictions may be a problem for gathering data.Understanding the cultures, difficulties, motivations, and environments that exist is the goal of this research design. Rather than depending solely on interviews and discussions, you experience the natural settings. Due to the extensive observation and data collection that goes into this type of research method, it might take anything from a few days to many years to complete. It is a difficult and time-consuming strategy that exclusively relies on the researcher's skill to be able to observe, interpret, and draw conclusions from the data.

4. Case Study Research:

This has developed over the past few years into an effective qualitative research technique. It serves the purpose of defining an organisation or



other thing, as its name implies.This kind of research methodology is employed in a variety of fields, including education, the social sciences, and others. Even though this approach requires a full understanding of the data gathering techniques and inferring the data, it is one of the easiest ways to conduct research.

Source: paperflite.com

5. Record Keeping: The data source for this strategy is already-existing, trustworthy documents and other sources of information. New studies can make advantage of these data. This is comparable to visiting a library. To gather pertinent information that will probably be employed in the research, one might peruse books and other reference materials there.

6. Method of Observation: Qualitative observation is a research method that employs subjective methodologies to collect data or information on a regular basis. Since the primary objective of qualitative observation is to obtain information or data using subjective approaches, The main purpose of qualitative observation is to compare quality differences.

The five main senses—**sight, smell, touch, taste, and hearing**—and how they function are the topics of qualitative observation. This involves attributes rather than measures or numbers.

Methods of Observations:

- Controlled Observations
- Naturalistic Observations
- Participant Observations

Data Collection and Analysis

A. Gathering Qualitative Data

Using qualitative data collection, we can examine decision-making processes and get in-depth understanding by gathering information that is not numerical. Such judgements should only be drawn after rigorous analysis of the evidence, which should be comprehensive, rich, and nuanced.

1. Whatever approach a researcher uses to gather qualitative data, one thing is certain: the procedure will produce a lot of data. There are several ways of gathering and storing the data in addition to the range of methods available.

For instance, there will be handwritten notes or video tapes if the qualitative data is gathered through focus groups or one-on-one interviews. Before the data analysis process may start, any recordings need be transcribed.

2. An experienced researcher can often complete the transcription of an interview's audio files in 8 to 10 hours, yielding 20 to 30 pages of discussion. Many researchers also choose to keep distinct folders for the recordings they acquire from various focus groups. This aids in separating the data they have gathered.

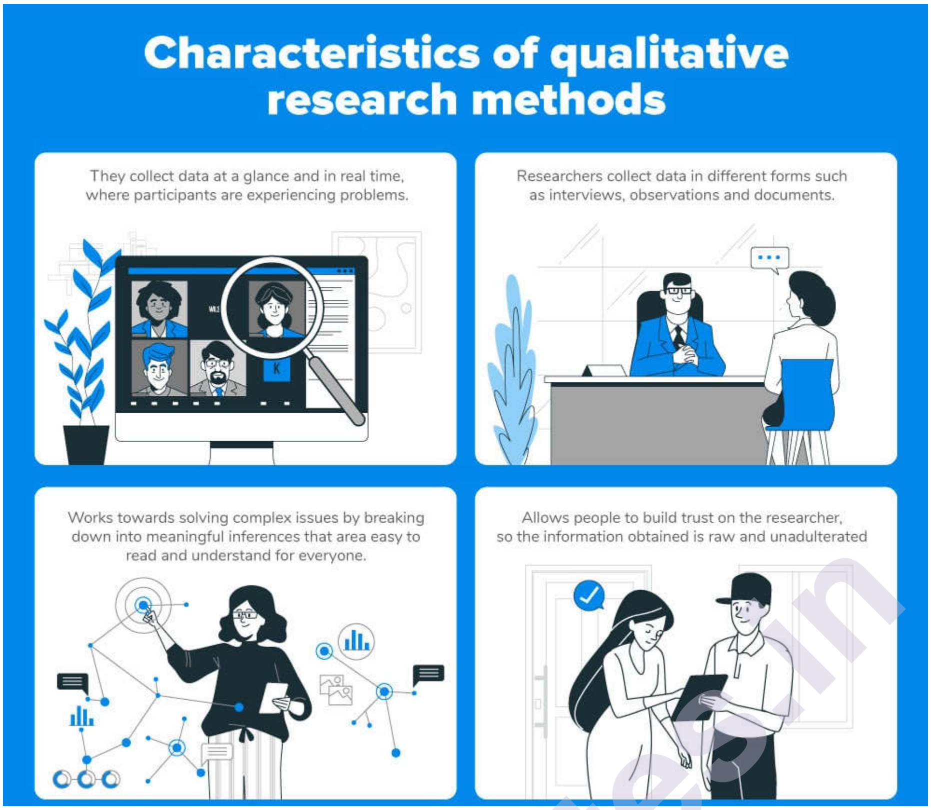
3. Running notes, usually referred to as field notes, are useful for keeping track of remarks, environmental contexts, environmental analyses, nonverbal cues, etc. When transcribing audio recorded material, these filed notes are beneficial and can be compared. Even though these notes are typically casual, they should be protected in the same way as audio or video tapes.

B. Qualitative Data Analysis

Analysing qualitative data from notes, movies, audio files, photographs, and written materials. Text analysis is one of the most used techniques for analysing qualitative data.**In contrast** to all other qualitative research methodologies, text analysis involves decoding the words, actions, and other behaviours of research participants to examine their social lives.

The researchers assess the context in which the photographs are used and make assumptions from them. Images are also used in this research study. Text analysis using content provided on social media sites has been extremely popular during the past ten years.

Characteristics Of Qualitative Research Methods



Source: questionpro.com

- Data are typically gathered using qualitative research methodologies in the location where participants are having issues or challenges. Real-time data rarely require participants to leave their immediate surroundings to gather information.

- Rather than relying just on one data source, qualitative researchers generally collect data in several formats, such as interviews, observations, and documents.

- By breaking down complex problems into clear, easily legible, and understandable deductions, this form of research method aims to resolve them.

- People might develop trust in the researcher because it's a more conversational strategy, and the data gathered in this way is accurate and unfiltered.

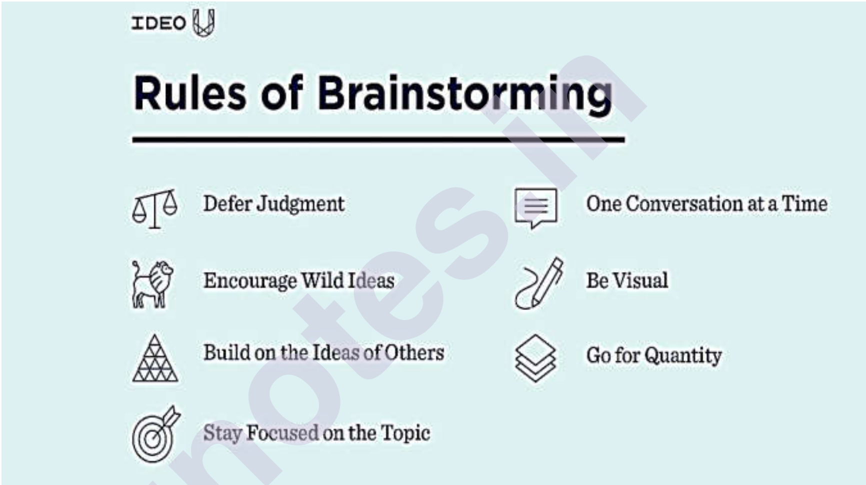
Case Study

Let's use the owner of a bookshop as an example. They are looking for strategies to increase sales and consumer outreach. Interviews were conducted with members of an online community who were devoted customers of the bookstore, and they provided responses to pertinent questions. After the interview, it became clear that there weren't enough books in the stores for kids or teenagers and that most of them were appropriate for adults. The proprietor of the bookstore discovered the flaws and the readers' sentiments by doing this qualitative investigation. The proprietor of the bookstore may now stock books for all age groups and increase both his sales and consumer outreach thanks to this research.

These illustrations of qualitative research methodology can be used as a springboard for more quantitative research that offers solutions.

2.2 BRAINSTORMING

Meaning: Brainstorming is a qualitative research technique used to get as many original and imaginative ideas from the participants as possible. It may be part of a workshop, focus group, or unfocused group and may be scheduled or unstructured.



Typically, brainstorming is a qualitative research technique used to get as many original and creative ideas from the participants as feasible. Additionally, brainstorming can be part of a workshop, a focus group, or an unfocused group. It can either be structured or unstructured.

A facilitator or moderator may be present, depending on the format selected, to draw out information from this activity. A researcher or spectator can record all the ideas being generated in the absence of a facilitator to analyse, shortlist, and draught the session's results.

Advantages of Brainstorming:

Figure: 2.1

1. Contribution from Outside:

When brainstorming, everyone is free to provide ideas. It is difficult to produce original ideas when you have the closest access to the issue. When you involve others in the conversation to find novel approaches, those who are less knowledgeable about the subject can speak freely about thoughts about which they are thinking. The next element is vital because not all ideas will be excellent.

2. Creation of Ideas:

Any suggestion does not need to stand alone. It is important to articulate ideas even if they are not the ideal solutions because doing so might make them more understandable to someone else. Idea building is based on the idea that through exchanging ideas, new ones are inspired, which triggers a cascade of original concepts. During a brainstorming session, all ideas must be given the chance to develop if idea building is to succeed. Sharing will thus decline, decreasing the effectiveness of the session.

3. Destabilizes the Ordinary:

Another benefit of brainstorming meetings is breaking routine. There might not be any overt issues with the way things are going right now. Even so, a brainstorming session might be beneficial since it may bring to light adjustments you did not even realise you required for the project.

4. Development of Lists:

One of the best parts of completing a brainstorming session is having a list of ideas you may use and build upon in the future. Even if not all the ideas are right away helpful, having a list may stimulate your creativity for several weeks or even months following the session. At least one person should be taking notes during every session to guarantee that every idea is retained.

5. Cooperation:

When co-workers' join in brainstorming sessions, their sense of collaboration is strengthened and they have the opportunity to ask for help from others. Team brainstorming sessions can create a sense of cohesion. Individuals are necessary for brainstorming to occur.

6. Variety of Points of View:

Despite our best efforts, there are situations when assistance is necessary. This does not indicate inability. It is more of an admission that not all problems can be solved by one person, and that only some groups can be accommodated. Choose people with a range of backgrounds, ages, and life experiences from diverse departments. This will add original, intriguing, and random ideas.

7. Helps prevent prejudices:

Only problem-solving might be more successful. However, when you produce ideas on your own, you are unable to evaluate them against the preconceived notions, biases, and attitudes that guide your thinking. By incorporating people who have various perspectives on the world (and the business challenges your company is facing), you increase your chances of finding a solution. When the right people are involved, partiality is also restrained. The presence of conflicting viewpoints inspires people to examine novel concepts.

8.More ideas in less time:

Even if that volume can be reached sooner, you will uncover better (and spectacular) ideas if you can develop them properly. During a productive brainstorming session, a group may quickly produce hundreds of ideas, and each one can spark dozens more. Using the group dynamic, each member may pledge to finish a certain number of ideas within the allotted amount of time. In any case, a group's output is far greater than anything a single person could reasonably hope to accomplish.

9. Takes consideration of another's perspectives.

Take into account the fact that sharing ideas with others is at the heart of brainstorming. As one might expect, switching between (and thinking about) multiple responses at once can lead to a surge of fresh idea connections. Another name for it is a popcorn share. As part of this group problem-solving technique, one person offers an idea or solution.

Everyone then has a chance to elaborate on what has been said after that. In the end, everyone feels as though they have equally filled in a gap in the solution.

10. Promotes Compatibility and Buy-In

The fact that stronger relationships are created when teams work together to solve problems is one of the best arguments for encouraging group brainstorming in your organisation. Group ideation sessions provide people the chance to work together on a project who might not otherwise get the chance. By developing camaraderie, such interactions reduce barriers and inspire everyone to view themselves as stakeholders. Because they are stakeholders, participants have an interest in the outcome of the brainstorming.

Disadvantages of Brainstorming

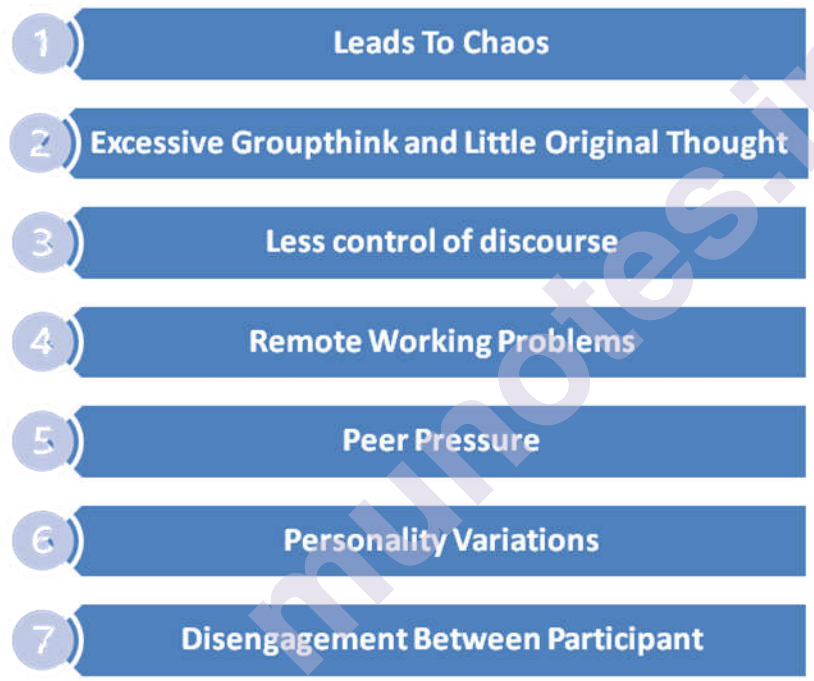


Figure: 2.2

Anyone who has attempted to assemble a team or coordinate the efforts of numerous individuals to solve a problem should be aware of the disadvantages of brainstorming. Making decisions becomes increasingly challenging. There will surely be disagreements. The opportunity to engage excites some people more or less than others. Additionally, it can result in more meetings being added to their usual work requirements but hold onto optimism. There are methods for avoiding issues that develop during brainstorming.

1. Leads to chaos:

Putting together a fresh team to take on a challenge is thrilling. But if you are not careful, brainstorming with a group might result in rambling conversations and open-ended debates that don't produce useful ideas. To avoid this, it's crucial to draught a brief and an agenda before your first group brainstorm. A brief description of the brainstorming's goal and background information are given. When the goal is clear, participants are more likely to stay on target. The strategy is simple. Answer questions about the past for a short while. Give yourself a window of time (for instance, 30 minutes) to produce the initial ideas, then put pressure on yourself to develop. Review what follows.

2. Excessive Groupthink and Little Original Thought:

This is referred to as groupthink. Building off one another's ideas is enjoyable until it isn't. Teams occasionally risk being excessively fixated on a single idea and losing their unique sense of creativity. To counter this, add a dash of honesty to the mixture. Make a place where people can speak their minds without being interrupted. With this flexibility, people won't become fixated on the first option and are more likely to voice their true, unfiltered opinions. After the brainstorming session, the team spends the remaining time concentrating on the most promising of these varied, freeform ideas.

3. Less control of discourse:

This is referred to as groupthink. Building off one another's ideas is enjoyable until it is not. Teams occasionally risk being excessively fixated on a single idea and losing their unique sense of creativity. To counter this, add a dash of honesty to the mixture. Make a place where people can speak their minds without being interrupted. With this flexibility, people won't become fixated on the first option and are more likely to voice their true, unfiltered opinions. After the brainstorming session, the team spends the remaining time concentrating on the most promising of these varied, freeform ideas.

4.Remote Working Problems:

In the Covid-19 era, it is no longer practical to gather around a whiteboard armed with stacks of post-It notes. While some managers fear that brainstorming is becoming obsolete, innovative approaches are now possible that are just as successful, if not more so.

5. Peer Pressure:

Peer pressure is when other individuals influence your behavior or thought processes. It regrettably occurs regularly even if it might not be pertinent during a brainstorming session. People may feel peer pressure to agree with the viewpoints promoted by those who have authority over them out of concern for retaliation. Additionally, they can lack the confidence to communicate their opposing viewpoints.

6. Personality Variations:

If your team has a mix of introverts and extroverts, you will be able to tell the difference between the two during brainstorming. The same cannot be said for quiet introverts, who are hesitant to speak their most outrageous ideas in front of a crowd. Therefore, if you want your brainstorming session to be inclusive and ensure that every voice is heard, you will need to set up certain standards.

7. Disengagement Between Participant:

Attending a meaningless conference is the fastest way to lose energy. As a result, the meeting will only be successful if you see that attendees' interest or vigor is waning.

Types of Brainstorming Techniques:

Figure: 2.3

1. Star Bursting:

The star bursting approach of brainstorming demands you to consider the who, what, where, when, why, and how of any new idea, much like a reporter searching for the crucial details to a story.

Use a star diagram to represent your core idea, identifying each point with one of the 5WH questions.

Create a series of questions about each of your points by doing so next. The exploratory aspect of star bursting makes it a favourite among brainstorming techniques: One question prompts another, and before you realise it, the answers to those questions have the makings of a sound strategy.

2. **Mind Mapping:**

Trying to capture every thought that is floating in the air when brainstorming might be difficult. A creative, non-linear diagram known as a mind map can be used to capture this onslaught of thoughts so that nothing is missed. The mind map should begin with a central topic or question and then extend out to include the ideas of each participant.

3. **Role Storming/Figure Storming:**

Sometimes it is best to take into account another person's perspective. Role storming’s main idea is to think about how someone else may approach a problem. Figure storming, a related activity, invites you to imagine yourself in the position of a well-known historical figure.

4. **Gap Filling:**

You must first identify your present state and your end goal to perform gap analysis, also known as gap filling, which involves looking for gaps between the two states. "How do we travel from here to there?" is the query posed. Due to the requirement that you come up with practical answers, gap analysis is particularly beneficial when it comes to problem resolution.

5. **Brain-Netting:**

In the contemporary workplace, when remote teams and virtual communication are considerably more widespread, brain-netting has grown in popularity as a brainstorming approach. Email communication can be efficient, but it can also be time-consuming and formal than is necessary.

6. **Round Robin Brainstorming:**

Have everyone sit in a circle to begin using this brainstorming method. Then a team leader or facilitator will ask a question or make an appeal for suggestions, and each person in the circle will then make a contribution one at a time.

7. **Rapid Ideation:**

Working under time pressure frequently results in higher-quality output. The truth is that "task grows so as to occupy the time available for its completion," according to Parkinson's Law. Rapid ideation takes use of this phenomenon: Team leaders can increase output and outcomes by giving team members a time restriction to offer as many ideas or solutions as they can.

8. **Reverse Brainstorming:**

Most brainstorming exercises require participants to address a problem. Participants in a reverse brainstorming session create the problem. In reverse brainstorming, a facilitator poses a question such as, "How can we cause this problem?" in instead of formulating answers to a problem.

Then, after recording the responses, a solution is thought out by working backwards through the responses.

9. Stepladder Brainstorming:

Teammates share their ideas individually before being affected by the group in this intriguing method of brainstorming, which was established in 1992. A facilitator will first pose a question or problem to the full group before having practically all the participants leave the room, leaving only two people inside. While the other team members wait outside, the remaining two team members discuss their ideas together until the facilitator instructs a teammate to join the two inside.

2.3 FOCUS GROUPS

Meaning

The easiest way to describe a focus group is as a small, carefully chosen group of people who participate in open conversations for research. To accurately represent the larger community, they are trying to reach, the hosting organization carefully chooses study participants.

Togeneralize the response of the entire populace, the group may examine new products, feature updates, or other interesting issues. An administrator engages in this study. Their responsibility is to ensure impartial talks and assure valid results.

Types of Focus Groups

Source: proprofssurvey.com

- **Dual Moderator:**

There will be two moderators for this event. The first guarantees efficient operation, while the second guarantees that each question will be discussed.

- **Two-way:**

In a two-way group, the subject is discussed at various times by two distinct groups. The second group observes the debate while one group performs their studies. The group who watched the first session eventually acts out their conversation. The second group can delve more into the subject and provide more viewpoints using the knowledge they obtained from witnessing the previous conversation.

- **Mini:**

Participants are limited to 4-5 persons instead of the typical 6–10 in this type of group.

- **Customer Involvement:**

Use this group if a client requests that you hold a focus group and invite those who do.

- **Participant-Moderated:**

One or more participants function as moderators for the discussion.

- **Internet:**

These organisations use online platforms to collect input and thoughts. An online panel consists of three types of participants: observers, moderators, and respondents.

Following steps to be taken create a market research focus group:

1. Recruit the right participants:

A researcher must use caution when choosing subjects. Members must have a sufficient understanding of the subject to contribute to the discussion.

2. Choose a moderator:

Our moderator should be knowledgeable about the subject under discussion and have the respect of all group participants. Your moderator should be knowledgeable about the subject being discussed and have the following traits.

- Assures that all group members participate.
- Controls group leaders so that others may talk.
- Encourages absentminded team members with encouraging remarks and upbeat body language.
- If a conversation gets too hot, decides whether to end it or keep going.
- Confirm that none of the participants know the moderator. Existing connections between a moderator and a member can skew your data and introduce bias.

3. Record the meeting for future purposes:

It is crucial to record focus group sessions or meetings when conducting them. The conversation can be captured on audio or video by a researcher. Participants must be informed that the event will be recorded, and their consent must be obtained.

4. Write clear discussion guidelines:

Writing down specific session rules before the meeting begins is essential. Include the main inquiries, the participants' expected behaviors, whether the conversation will be recorded, and the means of disseminating the findings. Give the participants the rules in advance and ask them to follow them.

5. Conduct the session and generate a report:

The moderator conducts the survey after everyone has a clear understanding of their part. For quantifiable statistics from the event, you might invite attendees to complete a survey. Utilize your data to produce reports on the main outcomes of your research.

6. Use the data to plan of action:

Inform the decision-makers and stakeholders in your organization about your report. The focus group response indicated that a strong report aids in the creation of practical strategies for enhancing goods and services.

Inform the group members of the modifications you made and their effects.

2.4 IN-DEPTH INTERVIEW

Meaning:

In-depth interviews are a qualitative data gathering technique that makes it possible to gather a lot of data on the conduct, attitudes, and perspectives of the respondents.

Researchers and subjects are free to explore additional topics and alter the course of the interview when necessary, during in-depth interviews. It is an independent research methodology that can use a variety of approaches depending on the objectives of the study.

Characteristics of In-Depth Interviews:

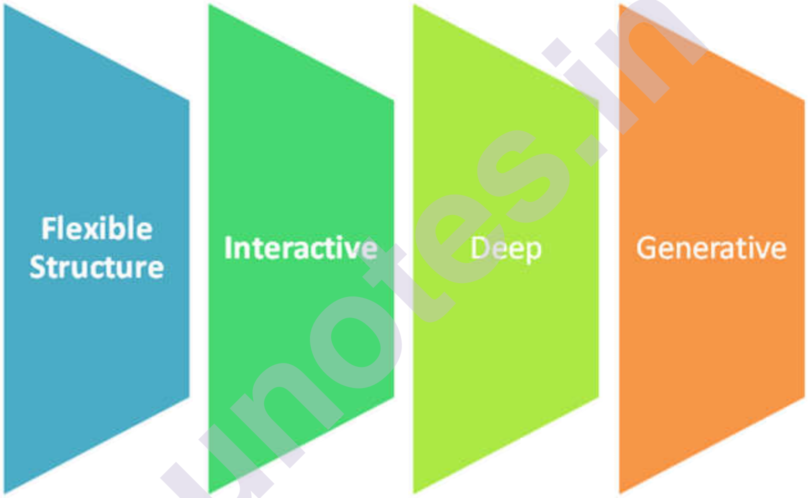


Figure: 2.4

There are many types of interviews, each with its particularities, in this case the most important characteristics of in-depth interviews are:

1. Flexible Structure: Although it is not overly organised, it covers a limited number of subjects using a guide, allowing the interviewer to address issues pertinent to the interviewee.

2. Interactive: As the interview progresses, the interviewer processes the information that was generated. The interviewer starts off by asking open-ended questions in a way that encourages the responder to react. The entire procedure is very human, making it less routine and monotonous.

3. Deep: In-depth interviews make use of a variety of probing tactics so that findings can be explored and explained. To comprehend the participant's perspective and obtain a deeper insight, the interviewer follows up with more questions.

4. Generative: Engaging with your target audience often leads to the creation of new information. For instance, you can learn more about your consumers' purchasing patterns by speaking with them. Researchers and participants give concepts for a certain subject and answers to the issues raised.

Importance of conducting in-depth interviews:

Since an in-depth interview is a one-on-one chat, you have plenty of chances to uncover the underlying factors influencing someone’s likes and dislikes, views, or opinions. In general, inquiries are open-ended and can be tailored to the specific circumstance. The interviewer has the chance to get to know the person and build a relationship, which helps the participant feel at ease. As a result, people may provide candid comments while also observing their facial expressions and body language. These hints could be considered valuable qualitative data. With surveys, there are chances that the respondents may select answers in a rush, but in case of in-depth interviews it’s hardly the worry of researchers.

Conversations can be shown to be a very effective way to get information. People may be reluctant to provide written responses, but given the nature of an interview, participants may agree to providing information vocally. Additionally, you might ask the interviewers if they want to keep their identities a secret.In-depth interviews are intended to elucidate the problems in order to produce thorough results. You can learn more about the interviewees' experiences, sentiments, and viewpoints through this technique.In-depth interviews help to focus on and narrow down key study aspects throughout the earliest stages of a huge research endeavor.

How to conduct detailed interviews:

1. Gather the relevant data regarding the respondents and the environment they operate in.
2. Create an outline or a list of the subjects you want to address. It will be simple to include additional questions as a result.
3. Arrange an interview for the respondent's preferred time and day.
4. Ask questions with confidence and make interviewees feel at ease so that they, too, will be assured and be able to answer challenging questions with ease.
5. Choose a time limit that does not seem excessive.
6. Pay attention to the interviewee's body language and gestures and take notes.
7. It is critical to uphold ethics throughout the procedure.
8. Transcribing the recordings will allow you to cross-check them with the interviewee. Advantages of in-depth interviews

Conducting an in-depth interview has the following Advantages:

1. They enable the researcher and participants to interact in a relaxed way to get more detailed replies about touchy subjects.

2. To better understand the perspectives of the participants, researchers can conduct follow-up questions, gather more data, and go back to crucial questions.
3. When compared to other data collection techniques, sampling is more accurate.
4. To better comprehend participant viewpoints, researchers can keep an eye on changes in participants' word choices and tone.
5. Fewer volunteers are required to gather insightful data.
6. When a thorough report about a person's opinions and conduct is required, in-depth interviews can be quite helpful. Additionally, it investigates fresh concepts and settings that allow the researcher a thorough understanding of the occurrences that took place.

Disadvantages of in-depth interviews

1. They take a lot of time to conduct since they need to be recorded, arranged, and thoroughly examined.
2. An untrained interviewer has an impact on the entire interviewing process.
3. Contrary to other approaches, it is more expensive.
4. Requires careful participant selection to prevent bias.
5. Lengthens the process.
6. Only attractive to participants if they stand to gain something in return.

2.5 PROJECTIVE TECHNIQUES

Meaning:

Projective techniques are a variety of methods for evaluating a person's personality that depend on a planned order of random inputs to elicit the subject's often strange responses.

Projective procedures, which are indirect and unstructured methods of learning about people, were created by psychologists. To uncover hidden desires, drives, or intents that the respondent either doesn't want to reveal or is unable to identify for themselves, researchers employ respondents' projections.

Despite their apparent simplicity, projective procedures sometimes call for a qualified psychologist's expertise in order to properly design the tests and evaluate them.

Methods of Projective Techniques:

Projective methods are extremely important in attitude polls or motivational studies. It is helpful to use projective approaches because they let respondents express their thoughts without embarrassment. These methods help the respondents inadvertently put their attitudes and feelings onto the study's subject.

Some of the essential Projective Techniques are:

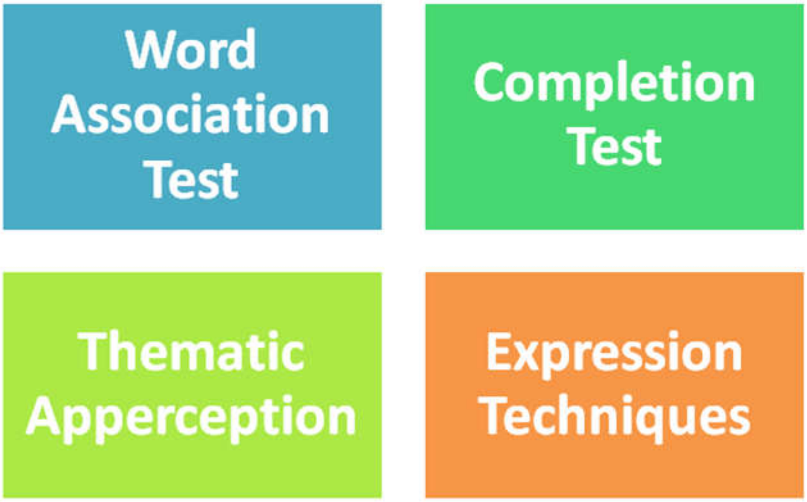


Figure: 2.5

1. **Word Association Test**:

Word association tests can be used in several situations, including:

- You can ask respondents to state or write the first word or phrase that comes to mind after giving them a series of words or phrases in a random order.

- Respondents are asked what word or phrase at once comes to mind when hearing brand names.

- Respondents are asked to supply a "human trait" or pair a descriptive adjective with an inanimate object or product to characterise it. • Respondents are asked about slogans and what they imply.

For Example, as part of creating a strategic marketing plan for their community, a group of tourism specialists was asked to define personality traits or "human characteristics" for both the villages and the towns in their area.

Most of the tourism sector officials were from cities, and they adamantly argued that metropolitan areas had previously been disregarded in marketing activities.

Through these and other experiments, they came to the conclusion that the rural areas were an important factor in the overall appeal of the location and that any marketing strategy must emphasise them.

2. Completion Test:

Respondents are asked to complete incomplete sentences using the sentence completion method. These sentences tend to be ambiguous and are usually written in the third person.

The following lines, for example, would be finished in a variety of striking ways depending on the respondent's personality:

- "A beach getaway is…"
- "Visiting the mountains for vacation is…"
- "The purpose of golf is…"
- "The typical individual thinks of skiing…"
- "Museum visitors tend to be…"

In general, because the provided answers are more detailed, sentence completion tests are easier to understand than word association tests. Although the respondent can more clearly understand what they aretrying, this can result in less authentic answers.

This method has a version called the narrative completion test. A tale in words or pictures is presented to the respondent, who is then invited to continue it in their own words.

3. Thematic Apperception

In the Thematic Apperception Test (TAT), after viewing one or more pictures, participants are asked to describe a scene, prospective character dialogue, and/or how the "story" might go. TAT is also known as the picture interpretation technique for this reason.

TAT can be used in a variety of scenarios, from eliciting product attributes to establishing thoughts about the kinds of people who could use specific items or services.

Respondents were asked, for instance, to describe the type of the location that would employ the sample logo and what a visitor might find there after viewing it.

- The Empire State Building right there gives it a New York vibe.
- That reminds me of the garden.
- It is indisputably the largest metropolis in the country.
- Calming, relaxing Because a tree hides your view of the countryside and you can see the city and buildings in the background, it has a regional focus.

4. **Expression Techniques**:

More often than any other projective technique, the expression technique is used to elicit respondents' strongly held opinions and ideas that can be construed as reflecting negatively on the respondent. People often claim to possess "virtues" that they consider to be "vices" in others.

For instance, when asked why they would choose to go on an Alaskan cruise, someone would respond that it was because of the excellent scenery, the opportunity to meet interesting people, or the opportunity to experience a different culture.

However, if the same question concerning the reason for a neighbour's cruise is asked, the response may very well be "brag appeal" or the desire to boast.

Respondents can discuss opinions they might not necessarily admit to holding for themselves when given a chance to talk about someone else, such as a neighbour, a relative, or a friend.

The third-person approach can be more dynamic by including role-playing or practice. In this scenario, the respondent is instructed to mimic the actions or voice the feelings of a third party.

This strategy can be quite beneficial, especially when working with kids who "know" how others would behave but may not always be able to articulate it verbally.

2.6 ATTITUDE AND MOTIVATION RESEARCH

Meaning:
A person's thoughts, sentiments, and behavioural intentions towards your organisation are combined to form their customer attitudes. These opinions are frequently formed based on a variety of elements. The past experiences of a person have a significant impact on the formation and maintenance of specific attitudes.

What are Customers Attitude and Motivation

Consumer behaviours are, in part, the activities and decisions brought about by consumer attitudes, which place the focus on consumer beliefs, ideas, and feelings.

Consumer behaviour, or how individuals act and behave during the full lifecycle of your product—from first being aware of the product, to assessing its qualities, to buy, use, and disposal of that thing—is how people pick and utilise your products and services.

More specifically, trends of customer behaviour during this journey include:

- Purchase habits, including when someone shops and how they pay for their purchases.
- Product usage information, including how frequently customers use your product and whether they are happy with their purchase.
- Goods disposal, including how long a customer keeps your product and whether they resale it when they are done using it.

To understand why and how individuals buy and use your product, a consumerbehaviour research dives into the ideas, behaviours, and habits that underlie each stage of the customer journey. This helps you keep your current customers happy and draw in new ones that have similar patterns.

Examples of Consumer Attitudes

When attempting to gain a more comprehensive understanding of clients, market analysts endeavour to measure a variety of distinct attitudes. Here are some of the **most popular indicators** to investigate when measuring client sentiments through your market research and customer experience efforts:

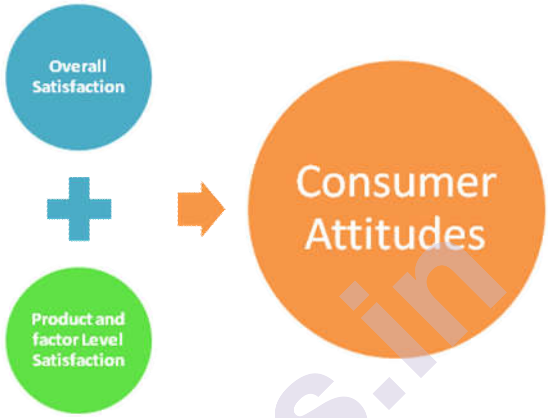


Figure: 2.6

1. Overall Satisfaction:

Customer happiness and contentment with a company's goods and services are gauged by the term "overall satisfaction." After a product or service is bought or rendered, surveys are frequently used to gauge overall satisfaction. Having solid insight into overall satisfaction provides consistent feedback on how you are doing in the eyes of your clients. It can also have a cascading impact because happy consumers are more likely to recommend your business online and through word-of-mouth and to become devoted and repeat customers. Of course, the ripple effect works both ways; if your consumers are dissatisfied, they'll probably let you know by leaving negative internet reviews and comments and looking to buy from other companies.

2. Product and factor Level Satisfaction:

While overall satisfaction concentrates on the overall picture, product and factor level satisfaction examines customer satisfaction specifically in relation to a given product and the factors that affect a customer's choice to buy.

After a consumer makes a purchase, businesses frequently follow up with a brief survey asking them to score their first levels of happiness with the product to measure product satisfaction. In order to gather pertinent high-level information about how the product is being accepted by your pool of customers who made the transaction, responses to these surveys can be compiled. More specifically, surveys provide the chance to swiftly fix any serious flaws or faults with a specific product to assist guarantee a great customer experience.

A variety of elements, such as product quality, price, service, and features, as well as less obvious elements like emotion or perception of fairness, can affect a consumer's attitude about a product purchase. Your efforts to improve customer experience can gain significant perspective by maintaining a constant awareness of these characteristics and the part they play in attitudes and customer satisfaction.

2.7 CONCEPT UNDER TESTS

Meaning:

Before introducing a product or service, you should consult clients about your concepts and ideas for it. This process is known as concept testing. As a result, you may decide your clients' acceptability and willingness to purchase and make important decisions prior to the launch.

Concept Testing Methods:

Researchers have developed and used a wide range of concept testing techniques over the years. Based on how the concepts are presented, these ways are grouped. These approaches are all appropriate for various kinds of study. It is simple to do concept testing with the aid of a research platform. The four main techniques for concept testing are listed below.

1. Comparison Testing

Over the years, researchers have created and employed a wide variety of concept testing approaches. These approaches are categorised based on how the concepts are conveyed. All these methods are suitable for different types of research. With the aid of a research platform, concept testing is straightforward to perform. The following is a list of the four primary concept testing methods.

2. Monadic Testing

In a monadic test, the target audience is divided into many categories. Each group only sees one concept at a time. These exams emphasise in-depth analysis of a specific idea. A monadic test survey is often brief and narrowly focused.

Since every respondent group sees the same idea, it is possible to go into detail without making the survey too long. Follow-up inquiries regarding a concept's many characteristics, such as what they liked about it, how it looked and felt, how much it cost, etc., might be asked by researchers. The follow-up questions for each concept will be the same even though each group of responders only views one notion at a time.

Short monadic test surveys enable researchers to follow up with a variety of inquiries. As a result, the findings give greater explanation for why a particular thought is superior to another. The sample size needed to run a monadic test is large, though, because the intended population is divided into several groups. The sample size is more important because different ideas need to be tested. The cost of research significantly rises as sample size is increased.

3. Sequential Monadic Testing

Like the monadic test, different groups of the target audience are divided in sequential monadic tests. However, all the concepts are taught to each group rather than just one in isolation. To prevent research bias, the concepts are presented in a random order. For each notion, the identical set of follow-up questions are posed to the respondents to elicit additional information.

A sequential monadic test only needs a small target audience because every group of respondents sees every notion. A single round may test several concepts. Therefore, sequential monadic tests are simpler to implement and more cost-effective. It is perfect for research with limited funding or when there is a tiny target population available because of this concept testing methodology. However, the questionnaire is very lengthy because all the topics are explained to each set of respondents. This may cause non-response bias and has an impact on the completion rate. By putting a cap on the number of questions, researchers can shorten the questionnaire. However, this has an impact on how in-depth the insights were gathered.

4. Proto monadic Testing

A Proto monadic Test consists of a comparison test after a sequential monadic test. Here, respondents are asked to rank many concepts before selecting the one they find most appealing.
The sequential monadic test findings can be confirmed using this design. Researchers might check to see if the concept chosen for the comparison test is consistent with the data they have gathered on each proposal.

2.8 SUMMARY

- Qualitative analysis is an open-ended question (conversational) research process that uses focus groups, in-depth interviews, and other cutting-edge research techniques to investigate consumer behaviour in a particular market.

- It is based on a small but valid sample of responders, often between 6-10, and focuses on very small sample sizes, allowing for in-depth examinations of subjects.

- It contrasts from quantitative research, which uses statistics to respond to binary queries, such as how many or how much customers are satisfied with a product. With qualitative research, questions like "why do buyers like the product" or "what circumstances drove the sales" are asked, allowing for free and in-depth discussion and examination of subjects.

- Qualitative research techniques are used to understand how people think and view the world, and online methods are more conversational and descriptive.

- Ethnographic Research is the most in-depth observational technique for seeing individuals in their natural surroundings.

- It is a difficult and time-consuming strategy that relies on the researcher's skill to observe, interpret, and draw conclusions from the data.

- There are several ways to gather and store qualitative data, such as handwritten notes or video tapes, transcribed audio files, running notes, and text analysis. Text analysis involves decoding the words, actions, and other behaviours of research participants to examine their social lives. Images are also used in this research study.

- Qualitative research methodologies are used to gather real-time data in the location where participants are having issues or challenges. They collect data in several formats, such as interviews, observations, and documents, to break down complex problems into clear, easily legible, and understandable deductions.

- Brainstorming is a qualitative research technique used to get as many original and imaginative ideas from the participants as possible. It can be part of a workshop, focus group, or unfocused group and may be scheduled or unstructured.

- Brainstorming has several advantages, such as contribution from outside, creation of ideas, and disruption of the ordinary. It is important to articulate ideas even if they aren't the ideal solutions to make them more understandable to someone else. The most important details in this text are the development of lists, cooperation, variety of points of view, and the ability to ask for help from others during brainstorming sessions.

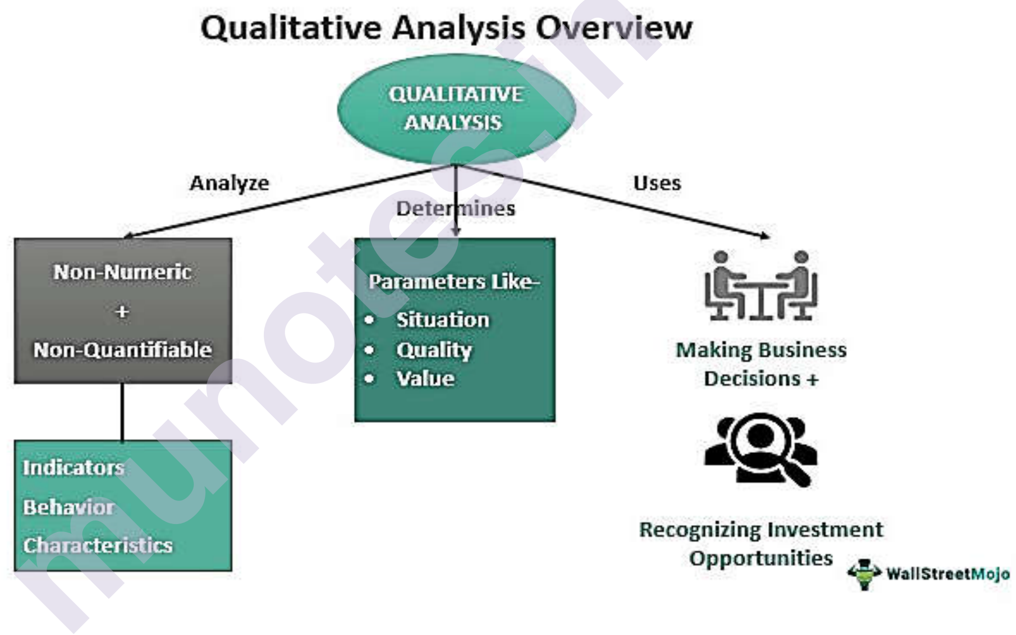
- A focus group is a small, carefully chosen group of people who participate in open conversations for research. An administrator is involved in this study to ensure impartial talks and assure valid results. There are three types of focus groups: two-way, mini, and participant-moderated. Two-way groups involve two distinct groups discussing the subject, while mini groups involve four-to-five persons. Mini groups are limited to 4-5 people instead of 6-10.

- In-depth interviews are a qualitative data gathering technique that allows researchers and subjects to explore additional topics and alter the course of the interview when necessary.

- Projective techniques are indirect and unstructured methods of learning about people that rely on a planned order of random inputs to elicit strange responses. They can be used in attitude polls or motivational studies to uncover hidden desires, drives, or intents that the respondent either does not want to reveal or is unable to identify for themselves.

- Surveys provide the chance to quickly fix any serious flaws or faults with a specific product to ensure a great customer experience. A variety of elements, such as product quality, price, service, and features, can affect a consumer's attitude about a product purchase.
- Concept testing is a process used to determine clients' acceptability and willingness to purchase and make important decisions prior to the launch of a product or service.
- Sequential monadic tests are simpler to implement and more cost-effective, making them ideal for research with limited funding or when there is a tiny target population.

For Reference:



Source: wallstreetmojo.com

2.9 QUESTIONS

1. Explain the fundamentals of Qualitative Research.

2. Elaborate the concepts of Brainstorming and Focus Groups.

3. Explain the concept of Projective Techniques.

4. Explain the concept of Concept Testing.

5. Short Notes:

1. Types of Brainstorming Techniques.
2. Projective Techniques.
3. Distinguish Between Focus Groups and In-depth Interviews.

6. Multiple Choice Questions:

I. Data source for _______is already-existing, trustworthy documents and other sources of information.
(Record Keeping, Case Study, Qualitative Observation)

II. ________ Interview is themost popular qualitative research techniques is conducting in-depth interviews.
(Focus Groups, One-On-One Interview, Structured)

III. The most in-depth observational technique for seeing individuals in their natural surroundings is_______.
(Case Study, Ethnographic Study, Natural Study)

IV. _________of brainstorming demands you to consider the who, what, where, when, why, and how of any new idea, much like a reporter searching for the crucial details to a story.
(Star bursting Method,Mind Mapping, Gap Filling)

V. In ________ method of Brainstorming a facilitator will first pose a question or problem to the full group before having practically all the participants leave the room, leaving only two people inside.
(Reverse Brainstorming, Rapid Ideation, Stepladder Brainstorming)

VI. __________are a variety of methods for evaluating a person's personality that depend on a planned order of random inputs to elicit the subject's frequently strange responses.
(Concept Testing. Projective Techniques, In-Depth Interviews)

VII. __________is used to elicit respondents' strongly held opinions and ideas that can be construed as reflecting negatively on the respondent.
(Expression Technique, Thematic Apperception, Brain-Netting)

VIII. ________are simpler to implement and more cost-effective, making them ideal for research with limited funding or when there is a tiny target population.
(Concept Testing, Sequential Monadic Tests, Projective Techniques)

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3

PRIMARY AND SECONDARY RESEARCH

Unit Structure

3.1 PRIMARY RESEARCH

Primary data refers to the first hand data which is collected by the researcher himself. This type of data is collected with a specific purpose in mind or for a particular study. It is sometimes a very long process that may involve a lengthy procedure of data collection. In order to get effective and accurate data, the researcher has to spend a lot of time and energy collecting this type of data. While the accuracy and reliability of this type of data is higher, the data collected by this method is raw, and unfiltered, meaning it has to be filtered and categorized before analyzing and making inferences.

Primary data is also very specific to the researcher's needs as per his research and methodology and area of interest, and hence may or may not be helpful for other research projects or areas. A lot of elaborate pre-planning and designing is involved before a researcher begins to collect data by this method. The researcher also has the flexibility to change or alter his data collection method during the process as he obtains this information at the fundamental level.

In terms of cost-effectiveness, the primary method of data collection can, at most times, be an expensive and time-consuming process compared to the collection of secondary data. There are different methods by which this type of data can be collected.

3.1.1 Scaling Techniques

The scaling technique is employed to measure various psychological variables, including attitude, customer satisfaction, purchasing behavior, and perception. Scaling methods, like questionnaires, are used by organizations to find out how customers feel about their products. The organization may get insight into customer preferences by analyzing such data, and these findings can be used to make business decisions about product improvement. Scaling techniques like nominal, ordinal, ratio, and interval scales are most frequently used by organizations.

Type of Scale	Type of Data	Example	Examples of Statistical tests used
Nominal	Category with no order	Gender: Male/Female	Percentage, Mode, etc.
Ordinal	Rank order or Specific order	Rating of the product: 5 Star – Excellent 4 Star – Good 3 Star – Average 2 Star – Poor 1 Star – Worst	Median, Percentile, etc.
Interval	It has an arbitrary zero point and an equal-interval order.	Body Temperature	T-test, F-test, Mean, etc.
Ratio	It has an absolute zero point and an equal-interval order.	Age or Height	Chi-Square

Nominal Scale:

Nominal scales are used to measure qualitative data. For instance, a nominal scale can be used to measure non-numerical labels such as customer gender. Male or female are the only two options presented to the respondent in this instance; there is no ranking or order between the two. As a result, a value of 1 can be given to Male and a value of 2 to Female, or the other way around.

Ordinal Scale:

As the name implies, the data in this category is arranged or ranked according to the attributes being studied. For example, let's consider, for instance, the test scores of four students.

Student	Marks Obtained	Rank in Class
Raj	90/100	I
Sham	70/100	II
Ravi	65/100	III
Sushil	60/100	IV

The four students are ranked as follows: Raj > Sham > Ravi > Sushil, implying Raj is ahead of Sham, Sham is ahead of Ravi and Ravi is ahead of Sushil. It should be noted that the direction in which the difference in marks between the students arises is determined by rank or order. However, it does not indicate how much the ranks differ, i.e., the difference in marks between ranks I and II is bigger than the difference between ranks III and IV.

Interval Scale:

The interval scale consists of all the characteristics of the Ordinal and Nominal scales, in addition to this, it provides information regarding the degree of differences between the values of variables. While an interval scale lacks an absolute zero point, its interval is constant. An example of an interval scale is a temperature which is easily ranked. The difference between the numbers has significance. For example, the difference of 5 between 50 and 55 degrees Celsius is the same as the difference of 5 between 70 and 75 degrees Celsius. On an interval scale, 0 does not, however, signify the absence of a condition.

Ratio Scale:

The ratio scale is similar to the interval scale because it has all the same features as the interval scale and an absolute zero point. The ratio scale starts at absolute zero and enables measurements at equal intervals; as a result, it is used to measure physical characteristics like height and weight. Using ratio scales, the researcher can look at both the differences in scores and how big the scores are in comparison to each other. Different marketing attributes, such as sales, market size, and market share, can be measured using ratio scales.

3.1.2 Questionnaire design

In research studies, questionnaires are among the most popular data collection methods. This method is used for conducting academic research, business research as well as research by the government. The questionnaire aims to gather valuable information about the study by asking questions based on the hypothesis. This method is advantageous when conducting interviews with a large group of people is not possible.

Benefits of Questionnaire Method

1. The main benefit of the questionnaire method is that it is cost-effective.
2. Different varieties of questions can be asked in the questionnaire method.
3. Questions can also be written in the local language.
4. Data can be gathered by sharing the questionnaire with local as well as global audiences.
5. When the questionnaire is made through an online platform, it reduces the time for data coding.
6. Questionnaires can be used to collect numeric (quantitative) or non-numeric (qualitative) data.
7. Since the researcher is not required to be present while the surveys are completed, data can be gathered swiftly.

The following are the various types of questionnaires:

1. Online Questionnaire

In an online questionnaire, questions can be made and sent over the internet using an online portal. The advantage of an online questionnaire is that it is not restricted by location. It may be delivered to responders from all over the world. Another benefit of an online questionnaire is that the respondent can respond to the questions at their convenience. When a questionnaire is delivered over an online channel, such as email, the return rate is low. This might occur if the respondent chooses to ignore the mail. In such cases, the researcher may decide to send respondents follow-up emails. To complete the online questionnaire, the respondent must have an internet connection and be educated and skilled in using the internet platform. It is a cost-effective method of getting responses to the questions. Through an online questionnaire, data can be gathered in real-time.

2. Telephone Questionnaire

In a telephonic questionnaire, the researcher connects with a potential respondent via telephone to get responses to the questions. When the study's sample size is small, a telephone questionnaire is an ideal option. The respondent might not feel comfortable responding to a large number of questions via telephone. Hence, this method is suitable when the number of questions is small. When compared to online questionnaires, telephone questionnaires have a higher response rate. The disadvantage of telephone questionnaires is that they are more expensive and time-consuming than other approaches.

3. Paper based Questionnaire

The most traditional method is a paper-based questionnaire, in which respondents are given the questions on paper before answering them. Instead of having a connection to the internet, this method requires the respondent to have access to a pen or pencil. Paper-based questionnaires are more expensive than other forms of questionnaires. The biggest downside of using paper questionnaires is the danger of data loss, which might have a significant influence on the study. This data collection method is more suitable where the sample size is small.

4. Mail Questionnaire

This approach was widely used in the early years since it was the simplest form of data collection. The researcher puts the questionnaire in an envelope and mails it to the potential respondent. Since the survey is on paper, the person who fills it out must be able to read and answer the questions. After completing the questionnaire, the respondent must mail it to the researcher. The respondent does not require access to technology for this method. This approach has the benefit of covering a vast geographic region, allowing respondents to reply at their convenience, and putting less pressure on respondents than a telephone questionnaire. The downside to this approach is that the responder is unable to clarify his queries, and the response rate is low.

Type of Questions

a) Open ended questions

An open-ended question allows the respondent to reply to the question in detail rather than with just one word. The questions may begin with who, what, why, when, and so on to provoke a long conversation. This type of question allows the respondent to respond in whatever way they like. Open-ended questions provide more information, new insights, and the opportunity to probe. Example:

a) What is the purpose of education?
b) Why are you purchasing this product?
c) What are your thoughts on your workplace's culture?

b) Close ended questions

Closed-ended questions require the respondent to choose between two or more alternatives. In this type of question, the respondent can make a quick decision since his options are limited. The main advantage of Close-ended questions over open-ended questions is that the responses can be easily coded. If the options provided for the question are insufficient, the researcher may include an open-ended question at the bottom of the questionnaire so that the respondent can provide extra information not covered by the alternatives. Example:

- Do you enjoy drinking coffee?
    - Yes
    - No

c) Dichotomous Questions.

A dichotomous question is a question that has just two possible responses, for example, male or female. When compared to other types of questions, dichotomous questions take less time to respond to. Another benefit of this type of question is that it is simple to code, analyse, and interpret. A dichotomous question allows respondents to make a quick, simple, and direct response. Example:

- Do you own a vehicle?

I. Yes
II. No

d) Likert Questions

In Likert scale questions, the respondent's attitude or opinion is usually measured using a five-to-seven point scale. A question using a Likert scale determines if the respondent agrees or disagrees with the statement. While designing the Likert scale questions, symmetry is maintained by having an equal number of positive and negative questions. The middle option on the Likert scale is "neutral" or "neither agree nor disagree", and the responder picks this option when he is indecisive. Example:

5-point Likert Scale

- I would recommend this product to others.

(1) Strongly disagree

(2) Disagree

(3) Neutral

(4) Agree

(5) Strongly agree

7-point Likert Scale

- I believe that putting in more effort at work will help me advance in my profession.

(1) Strongly disagree

(2) Disagree

(3) Somewhat disagree

(4) Neutral

(5) Somewhat agree

(6) Agree

(7) Strongly agree

Guidelines for developing an effective questionnaire

1. Length of the questions

The length of the question is desired to be short and precise rather than long. If the question is excessively lengthy, the respondent may skip part of the question and provide an incorrect answer. In order to prevent this scenario, Oppenhein (1986) recommended that researchers stick to a rule of thumb of keeping questions under 20 words or one line long.

2. Sequence of the questions

While sequencing the questions, in the beginning, the questions should be asked to establish a good rapport with the respondent. The initial questions should be general so that the respondent does not have to think too hard to answer them. The general questions are followed by specific questions designed to extract detailed information from the respondent and demand the respondent's thoughts, opinions, and judgements on a certain subject. The questionnaire should start with easy-to-answer questions and then go on to more challenging questions about sensitive topics. It is advised to avoid asking positive and negative questions about the same theme one after the other.

3. Layout of the Questionnaire

The following information should be provided in the questionnaire's introduction:

- The Title of the research.
- Introduction of the individual who is collecting the information.
- A concise summary and the purpose of the study.
- Guidelines for responding to the questions.

The questionnaire should be designed in such a way that answering the questions is made as simple as possible. It is vital to establish a rapport with the respondent in order to encourage them to answer the questions. The respondent must be assured that their response and identity will be treated confidentially. Each section of the questionnaire should have instructions so that the respondent can easily answer the questions.

4. Wordings of the questions

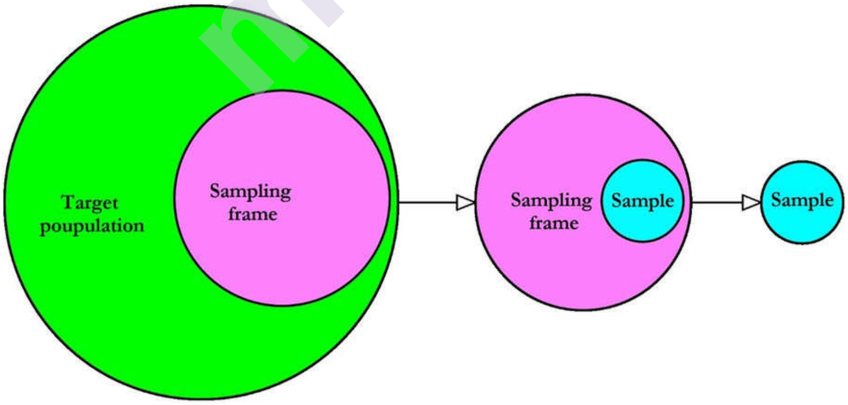
The wording selected when designing the questions will have an impact on the response. As a result, it is critical to carefully design each question because a minor modification in phrasing may result in a different response from the respondent. The question's wording should be chosen in such a manner that it expresses the same meaning to all respondents and is interpreted in the same way by all respondents. The question should not include more than one concept since the respondent may find it difficult to comprehend. It is recommended that the language be kept simple so that questions may be easily understood and accurate responses can be acquired.

3.1.3 Sampling frame & technique

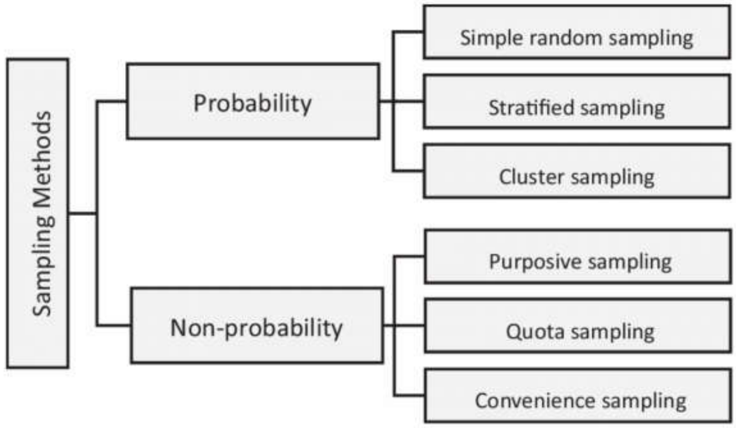
Sampling frame

In statistics, a sampling frame is defined as a specified population from which a sample is drawn using a predefined technique. A sample frame could leave out a small portion of the target population. For instance, a telephone directory may be used as a sample frame if the study involves a survey of all the residents in a specific area. Now, it's likely that a small portion of the population doesn't use landlines, and their number might not be included in the telephone directory. Such members of the locality will not be included in the sampling frame. A flawless sampling frame is one that lists each individual in the population just once and is error-free.

The following are four major issues that might arise while constructing the sample frame: The first issue that might arise is that the sampling frame does not cover every member of the population, making the sample sampling frame incomplete. In the sampling frame, each member should be mentioned independently; consequently, if two or more members are merged together and reported as one, an error may occur. When a foreign member is included in the sample frame or when the sampling frame is made up entirely of blank listings, the third type of error may occur. Each member of the population should be included only once in the sampling frame, and if a member is duplicated in the sample frame, the fourth type of mistake occurs.



Sampling techniques



There are two types of sampling techniques: probability sampling and non-probability sampling. In probability sampling, each member of the population has an equal chance of being selected. In the non-probability sampling method, it is uncertain who will be selected.

- **Probability sampling**

Simple random sampling

In a simple random sampling, each person has an equal chance of being selected. For instance, if one of the 300 chits with the names of the participants in the bowl is drawn during the lucky draw, we can see that each of the 300 participants had an equal probability of being picked.

Stratified Sampling method

The population is partitioned into distinct groups, or strata, in stratified sampling. The selection of a subgroup, however, is based on population characteristics like age, income, and educational level. After subdividing the population, a sample is randomly chosen from each subgroup.

Cluster sampling method

The total population is split into small groups for cluster sampling. These groups, which are referred to as clusters, are heterogeneous within themselves. In terms of population features, the clusters are mutually homogeneous. Once the clusters have been identified, the researcher will pick certain clusters and leave out others for sampling purposes.

- **Non-probability sampling**

Purposeful/Judgment sampling

The researcher chooses the sample based on his or her judgement in the non-probability sampling technique known as purposeful sampling. In comparison to probability sampling, this method saves more time and money. According to this approach, the researcher's sound judgement will enable selection of accurate representatives of the total population.

Quota Sampling

A non-probability sampling technique called quota sampling divides the total population into subgroups with the aim of comparing various groups. The research uses a non-probability approach to choose the participants for each group. The subgroup is defined by the researcher depending on the objectives of the study in order to have better control over the selection process.

Convenience Sampling

The research participants are selected for the study based on the researcher's convenience in the convenience sampling methods. Here, the chances of being chosen are not equal for every member of the population. Instead, the researchers select participants based on their willingness and proximity to the research location. Comparing this approach to probability sampling, it saves time and efforts.

3.1.4 Primary sources of Data Analysis

Primary Data Sources

The primary data can be collected by using

- Quantitative Methods or
- Qualitative Methods

- **Quantitative Methods**

Survey is one of the most popular techniques of primary data collection by using quantitative methods. A survey is a method for collecting quantitative information about items in a sample population. The information is collected by using different kinds of interview questions addressed to a large amount of population. Surveys may have different approaches like personally administered surveys or a telephonic survey, a mail survey or an electronic survey. All surveys are basically conducted using a prefixed format of questions, termed as a questionnaire.

- **Qualitative Methods**

This type of data collection does not necessarily use questionnaires. The emphasis of such methods is to have a flexible approach while collecting data. This method is usually used when the research is in the exploratory stage and due to the lack of enough research conducted on the topic, the researcher does not have enough knowledge about the research topic. In such situations, it is extremely difficult for a researcher to design and draft a questionnaire and follow a systematic approach. In all such situations that require exploring new insights and perspectives from the respondents, the qualitative methods of data collection are considered the most appropriate method.

Qualitative methods of data collection include observations, focus groups unstructured and semi structured interviews etc.

- **Observation Method**

This is a qualitative method of data collection. In this technique, the information is captured by observing variety of factors like objects, human behavior, systems, processes, structures etc. For example, in a study about purchase of a product, instead of asking consumers a fixed set of questions about their attitude towards the product, it would be more beneficial to appoint a person as an observer in a store to observe and analyze the behavior of the consumers while they make their purchase decision.

Although this method could turn out to be time consuming and an expensive matter, the results obtained through this method would be reliable. The observer generally does not interfere in the process of data collection and because of that the observer's bias is also eliminated to an extent. This technique may reveal some important information that otherwise may not be disclosed in the other form of data collection.

- **Focus Group Discussion**

This is a type of interviewing technique in which a small selected group of participants are chosen who are interviewed by a researcher. The participants are generally from a target research audience whose opinion is of interest to the said researcher. The discussion is generally a collaboration of experiences, attitudes, perception, ideas and how they feel about a certain topic. The researcher generally moderates the discussion in a direction that will lead to some quality opinions by the participants.

In general, the discussion during this activity is free and open, allowing the researcher to occasionally form new lines of thought. The researcher may also receive various ideas and insights, enabling him to increase his quality of research work.

It is however important that the selection of the participants be given due importance. Smaller groups are generally preferred for a natural and well-coordinated discussion. The participants are to be selected, as far as possible, from a similar economic, social and cultural background. This would minimize any conflict that could arise within the group and contribute towards achieving the set objectives. The researcher's skills are extremely important in keeping the discussion relevant without getting involved in any controversy or bias. The researcher should have adequate knowledge of the topic that would be discussed and should be able to follow and utilize effectively, the opinions provided in the focus group discussion.

- **Interview Method**

This is the most commonly used method of data collection. A prefixed set of questions are designed by the researcher in order to ask the target participants. There are basically three types of interviews.

  - Structured Interview
  - Semi – Structured interview
  - Unstructured Interview

- **Structured Interview**

Structured interviews are the most systematized type of interview. Opposite to semi-structured or unstructured interviews, the interviewer uses predetermined questions in a set order. Structured interviews are mostly closed-ended. Participants in a structured interview respond ‘yes’ or ‘no’ to each question, set of multiple-choice options, or open-ended questions.

Semi – Structured Interview

In this method, the interviewer sets some simple guidelines for the questions to be asked. The succession questions are generally on the basis of the preceding questions. Hence we can say that in a semi structured interview, while there is some flexibility to the questioning path, there is also some fixed structure to the questions being asked to the respondents. A ‘job interview’ is the most common example of a semi structured interview.

- **Unstructured Interview**

This type of interview allows the interviewer to get opinions and get a feel of general attitudes of the respondents. The questions drafted by the researcher are extremely flexible. There is no pre fixed set of questions. Since the questioning takes place in a very flexible mode, a researcher is able to get deeper insight into the subject. This can help the researcher understand the respondents’ views and opinions better than in structured questions.

3.2. SECONDARY RESEARCH

Secondary research consist of data that has previously been collected by another source and can be accessed by researchers. This is the opposite of primary research, where the data collected directly from its source. Secondary data is almost always past data which is inexpensive and less time consuming to identify. Although secondary data is economical to get, it may or may not be specific to the researchers needs. A lot of filtering and scanning may be required in order to arrive at the correct data as per researcher’s topic of interest. However the ultimate source of any secondary data has to be primary data. The most common example of secondary data are the data collected from published sources like newspapers, magazines, journals, books, reports, publications, economic survey and census published by Government of India.

Secondary research can be of 2 types, depending on the type of research:

- **Quantitative data** – data that can be expressed as a number or can be quantified. Examples – the weight and height of a person, the number of working hours, the volume of sales per month, etc. Quantitative data can be easily manipulated statistically.

- **Qualitative data** – data that can't be expressed as a number. Qualitative data consist of words, pictures, observations, and symbols, not numbers. Examples – colour of the eyes (black, brown, blue, green), socioeconomic status, customer satisfaction, loyalty towards a product, etc.

3.2.1 Secondary and Standardized sources of Marketing Data

Sources of Secondary Data

Compared to primary sources, secondary sources of data are easier to find. Secondary sources of data refers to techniques for gathering second-hand information, whereas primary data is first-hand information gathered by the researcher using a variety of methods; as a result, the time and effort needed in this case are comparably less. Sources of secondary data include:

- Government departments
- Public sector organizations
- Industry associations
- Trade and industry bodies
- Educational institutions
- Private companies
- Market research providers

Types of Secondary Data

There are two types of secondary data, based on the data source:

- **Internal sources of data**: information gathered within the company or organization (examples – a database with customer details, sales reports, marketing analysis, emails, social media profiles, etc) is called as internal sources of data. Few examples are as follows-

- Sales reports
- HR filings
- Annual accounts
- Quarterly sales figures
- Customer relationship management systems
- Emails and metadata
- Website cookies

- **External sources of data**: the data collected outside the organization (i.e. government statistics, mass media channels, newspapers, etc.) is referred to as external sources of data. Few examples of external sources of data are -

- Tax records and social security data
- Census data
- Health records
- Books, journals, or other print media
- Social media monitoring, internet searches, and other online data
- Sales figures or other reports from third-party companies
- Libraries and electronic filing systems
- App data, e.g. location data, GPS data, etc.

3.3. CASE

Since satellite television first arrived in India, the Indian television sector has experienced exponential development. Despite the fact that only approximately 70% of Indians have access to cable television now, this group is referred to as the country's "consuming class". Compared to a low 31.3% in 1994, cable and satellite television accounted for 86.9% of all television advertising in 2002. With a 46.8% share of total viewers and a stunning 57.4% share of all advertising income, Hindi general entertainment television is the fuel driving expansion in the television industry.

In this market, Sony Entertainment Television is a significant competitor and has consistently ranked second to Star Plus, which has been the uncontested leader since July 2000. In India, single-TV houses are typical. The Hindi general entertainment television market is extremely competitive since Hindi is the primary language for consuming entertainment across India. There are five players in it. Since July 2000, Star Plus has been the unchallenged leader and has considerably strengthened its position since then. Nearly five times as many people watched Star Plus in September 2003 as Sony Entertainment Television, which was its closest competitor. Zee TV, Sahara TV, and SAB TV are the other competitors.

The vital factor is that women have a greater effect on viewers' channel preferences during primetime, notably the 9–10 pm hour. Kkusum and Kutumb, two of Sony Entertainment Television's top series, controlled the 9–10 pm hour until mid–2002, when Star Plus' four daily shows took over. Despite several high-profile initiatives to win back lost viewers, Sony Entertainment Television's market share in this group kept declining. Sony Entertainment Television was clearly under the grip of Star Plus.

What secondary data sources would you advise Sony to use to assist them accomplish its goal of understanding what Indian women want?

3.4. SUMMARY

Primary data are information obtained directly from sources and gathered by the researcher. Researchers can obtain data that has already been gathered by another source called secondary research. A sampling frame is a defined population from which a sample is taken according to a predefined method in statistics. In the case of a research that requires a survey of all the local population, a telephone book may be used as the sample frame. One of the most common ways to gather data for research investigations is using questionnaires. By using questions based on the hypothesis, the questionnaire seeks to collect important data about the study.

3.5. QUESTIONS

1. Explain the process of Questionnaire design.
2. Define Primary data.
3. What are the benefits of Questionnaire Method?
4. What are the types of Probability sampling?
5. What are the methods of conducting primary research?
6. Explain Scaling techniques.

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4

MARKET SEGMENTATION

UnitStructure

4.0 OBJECTIVE

- To understand the Process of Marketing Mix Research.
- To study the concept of Positioning Research.
- To understand the elements of Sales Promotion Research.
- To understand Campaign Tracking Research.

4.1 INTRODUCTION

Organizing potential customers into groups or segments with comparable demands and responses to marketing actions is referred to as market segmentation in marketing. Market segmentation helps businesses to target various customer groups who view the entire worth of goods and services in a variety of ways.

Companies can generally use three criteria to identify different market segments:

1. **Homogeneity**, or common needs within a segment

2. **Distinction**, or being unique from other groups.

3. **Reaction**, or a similar response to the market.

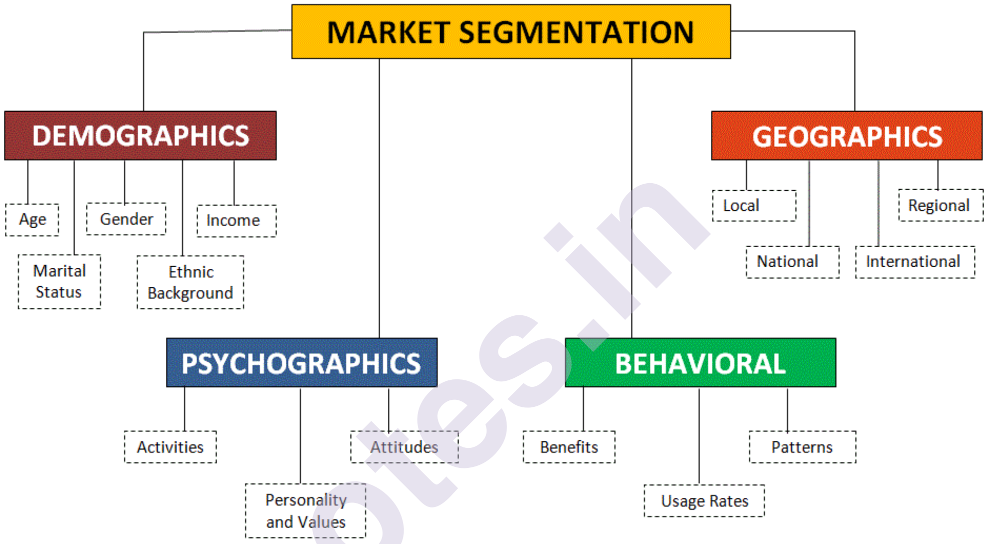
For example, a company that sells athletic footwear might have market segments for long-distance runners and basketball players. Basketball players and marathon runners react to commercials very differently as separate groups. The company that makes sports footwear is better able to promote its branding by having a thorough understanding of these various market niches.

MEANING OF MARKET SEGMENTATION:

Market segmentation is a process that consists of sectioning the target market into smaller groups that share similar characteristics, such as age, income, personality traits, behavior, interests, needs or location.

TYPES OF MARKET SEGMENTATION

The four main categories of Market Segmentation are as follows:



Source: businessstudynotes.com

1. **Geographic Segmentation:** Technically speaking, geographic segmentation is a subset of demographic segmentation. This strategy organizes clients according to their actual locations on the basis that it's likely that residents in the same region will have similar wants. For larger businesses looking to diversify into new branches, offices, or locations, this technique works better.

Example: A clothing company that stocks more rain gear in its locations in the Pacific Northwest than in the Southwest.

2. **Demographic Segmentation:** One of the straightforward, widely used techniques for market segmentation is demographic segmentation. It entails segmenting the market based on factors such as age, income, gender, race, education, and occupation of the target market. According to this market segmentation technique, people with comparable demographics will have comparable wants.

Example: The market segmentation strategy for a new video game console may reveal that most users are young males with disposable income.

3. **Psychographic Segmentation**: It aims to categorize consumers based on their lifestyle, personality, attitudes, and interests. This technique for market segmentation is frequently the most challenging. Since these features (1) could change easily and (2) would not have readily available objective data, doing this might be more challenging. However, because it organizes people based on inherent motivations rather than external data points, this strategy may produce the strongest market segment outcomes.
Example: A fitness apparel company may target individuals based on their interest in playing or watching a variety of sports.

4. **Behavioral Segmentation:**Consumer behavior, consumer activities, and customer decision-making patterns are all important components of behavioral segmentation. Based on their previous interactions with markets and products, this strategy divides consumers into categories. This strategy assumes that consumers' past spending patterns predict what they would likely buy in the future, even if purchasing patterns can vary over time or in response to external factors.
Example: Millennial consumers traditionally buy more craft beer, while older generations are traditionally more likely to buy national brands.

STEPS TO DETERMINE MARKET SEGMENT

1. Setting Objectives:

- What is the aim or objective of market segmentation?
- What does the business intend to learn by segmenting its market?
- Does the business anticipate any potential market segments?

2. Identify Customer Segments:

- What chances exist that our statistics won't accurately reflect the various market segments?
- Why should we favor one kind of customer over another?
- What long-term effects might select one market segment over another have?
- Which market categories most closely resemble the "perfect client" for the organization, and what is their ideal customer profile?

3. Create Segmentation Strategy:

- How can a business test its theories on a representative test market?
- What attributes make a marketing segmentation plan effective?
- How will the business know if the plan is effective?

4. Execute and Review:

- Who are the important parties who can offer comments once the market segmentation approach has been revealed?
- What obstacles stand in the way of implementation, and how may they be removed?
- How should internal communication for the marketing campaign's launch be handled?

ADVANTAGES OF MARKET SEGMENTATION

Figure 4.1

1. Improved use of Resources:
Marketing segmentation enables management to concentrate on customers or demographic groups. Marketing segmentation enables a targeted, precise approach that frequently costs less than a broad reach approach, as opposed to attempting to offer products to the entire market.

2. Greater Brand Recognition:
Management must think about how it wants to be regarded by a certain group of people due to marketing segmentation. Management must decide what message to produce after identifying the market niche. The fact that this message is intended for a specific audience suggests that a company's branding and marketing are more likely to be very deliberate. This can also have the unintended consequence of improving customer interactions with the business.

3. Potential for Brand Loyalty:
Marketing segmentation gives customers more chances to establish enduring relationships with a business. Customers may respond favorably to more direct, personable marketing strategies that encourage a sense of inclusion, community, and belonging. Market segmentation also boosts your chance of finding the ideal customer that fits your product line and demographic.

4. Major Market Differentiation:
A corporation may pinpoint the precise message it wants to send to the market and to competitors thanks to market segmentation. By clearly stating how a business differs from its rivals, this can also aid in product differentiation. Management creates a specific image that is more likely to be memorable and specific than a general approach to marketing.

5. Efficient Target Advertising:
A corporation can implement more effective customized advertising methods thanks to marketing segmentation. This includes social media marketing strategies that target people of a certain age, area, or behavior.

DISADVANTAGES OF MARKET SEGMENTATION

Without any potential drawbacks, the above-mentioned advantages cannot be realized. Here are several drawbacks to consider before putting market segmentation tactics into practice.

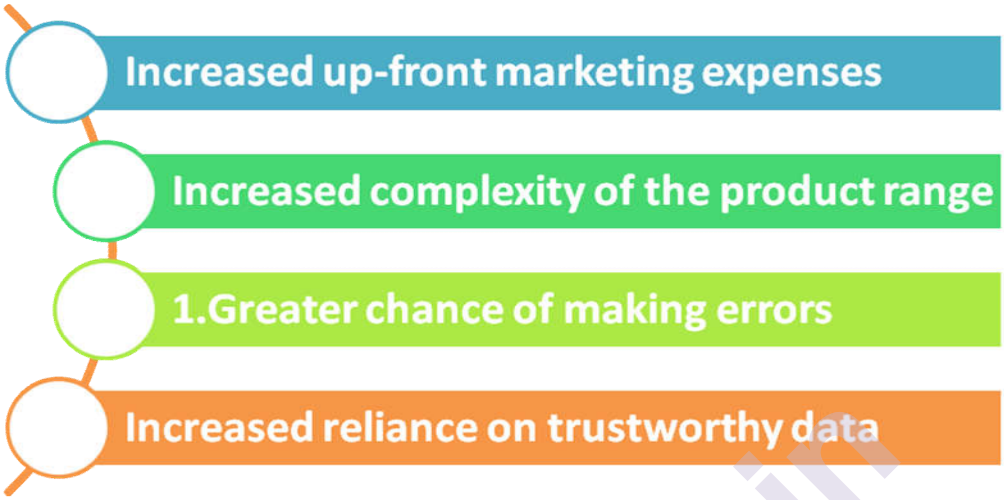


Figure 4.2

1. Increased up-front marketing expenses:
The long-term objective of marketing segmentation is efficiency. To achieve this efficiency, though, businesses frequently have to invest money up front in order to gather information about their target markets and client base.

2. Increased complexity of the product range:
Through marketing segmentation, a huge market is divided into smaller, more manageable chunks. The drawback of this is that it runs the danger of resulting in an unnecessarily complex, fractionalized product line that places an undue emphasis on serving particular market niches. A company's marketing mix may grow overly complex and inconsistently communicate its entire brand rather than having a consistent product line.

3. Greater chance of making errors:
The foundation of market segmentation is the idea that people with similar demographics would have comparable requirements. This could not always be the situation. A corporation runs the danger of misidentifying the needs, values, or motives of individuals within a given community by lumping them all together under the assumption that they have anything in common.

4. Increased reliance on trustworthy data:
Market segmentation is only as reliable as the supporting evidence for the assertions it makes. This necessitates paying attention to the sources from which data is gathered. This entails being aware of evolving patterns and instances in which market segmentation may have changed from earlier surveys.

CASE STUDY

1. The products, marketing, and advertising that consumers utilizedaily are all examples of market segmentation. The success of auto manufacturers depends on their ability to accurately identify market segments and develop products and marketing strategies that appeal to those segments.

2. Cereal producers market actively to three or four market segments at a time, pushing traditional brands that appeal to older consumers and healthy brands to health-conscious consumers, while building brand loyalty among the youngest consumers by tying their products to, say, popular children's movie themes.

3. Elite athletes, regular gym attendees, fashion-conscious women, and middle-aged men looking for quality and comfort in their shoes are just a few examples of the market segments that a sports shoe maker might identify. In every situation, the manufacturer's marketing knowledge of each market group enables it to create and promote items with a high appeal more successfully than it might by trying to appeal to a wider audience.

4.2 POSITIONINGRESEARCH

MEANING

Establishing a brand image that stands out from the competitors is the process of market positioning. A brand's perception in the eyes of a particular consumer group is what market positioning aims to change. Additionally, market positioning raises brand recognition, conveys value, and supports price.

Like how consumer perceptions affect brand positioning strategies, rival activity also has an impact. Here are some ways that a positioning strategy might influence your marketing effort.

For Example:

- An innovative and user-friendly cell phone manufacturer develops a futuristic advertising campaign with a focus on artificial intelligence.
- A handbag designer portrays themselves as a mark of luxury and uses models to promote their products as they are dressed in designer apparel.
- A fashion designer that wants to be seen as a representative of current trends in the industry uses influencers and celebrities to sell their products.
- Advertising from a car company that touts itself as the safest brand for families displays diverse, welcoming families who are representative of contemporary culture.

ADVANTAGESOFSTRONGPOSITIONING

Strong positioning in marketing has a number of benefits, all of which ultimately increase your company's profitability.

Figure 4.3

1. Competitive Positioning:

Marketing and advertising messages are constantly bombarding today's consumers. Your business will be able to stand out from the crowd of rivals with the help of strategic positioning and a strong, favorable brand image.

2. Increased Sales:

With great marketing positioning, customers will see your goods and services as more pertinent to a certain need in their target market. This results in more clients and increased sales.

3. Defining Target Markets:

Your value to a certain group of potential customers rises when you establish yourself as an authority on your industry, specialty, product, service, or feature. You advance to the position of industry authority.

4. Effective decisionMaking:

This influence communication and connections with your customers and potential consumers is possible once you've established the central message of your positioning strategies.

5. Link to Customer Needs:

You have the chance to communicate the essential advantages of your good or service through positioning. This resonates and connects with the customer who needs it.

TYPESOFPOSITIONINGSTRATEGIES

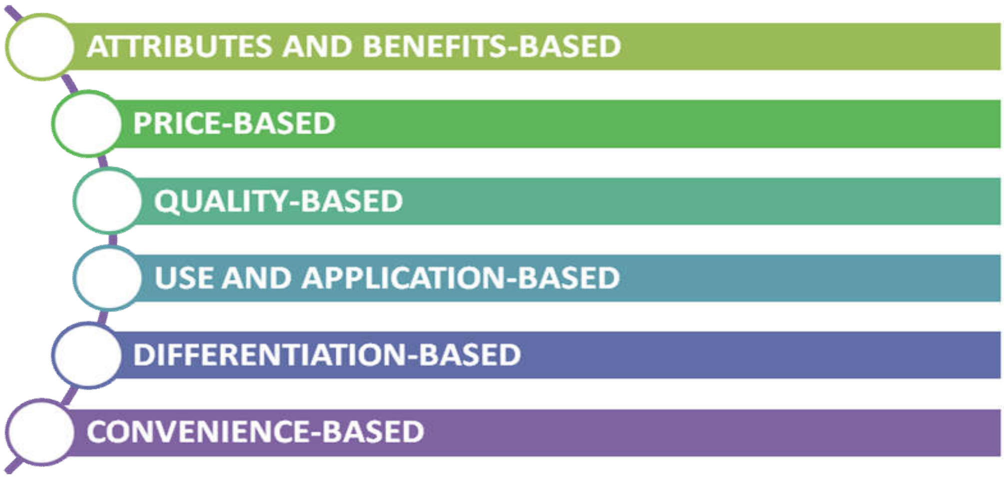


Figure 4.4

1. Attributes and Benefits-Based:

A well-liked positioning tactic involves taking the brand and linking it with desirable qualities and beneficial advantages. The objective is to draw attention to features and advantages that set your company, product, or service apart from the competitors.

Example: Colgate advertises its brand as a leader in oral hygiene. It makes dental health improvements and teeth whitening promises.

2. Price-Based:

A brand can advertise its position as the least expensive or most inexpensive by using price-based market positioning, which offers customers the best value.

Example: McDonald's markets itself as a low-cost, easy option for families compared to other family eateries. They initially used a promotion that included a "Dollar Menu," which changed to a "$1 $2 $3 Menu," over time. This tactic highlights the items on their menu that are the least priced.

3. Quality-Based:

Many consumers live by the adage "You get what you pay for." They think that quality and price go hand in hand. This positioning strategy is rarely used by brands to discuss pricing. Instead, they emphasize distinction, quality, and luxury.

Example: Mercedes Benz is more expensive than many other automakers, its marketing strategy emphasizes that it is a luxury brand. It promotes the idea that owners of these opulent vehicles are more prestigious and impressive.

4. Use and Application-Based:
In this positioning strategy, a product or brand is linked to a particular application to meet a demand or address an issue.

Example: Hefty brand emphasizes the toughness and durability of its garbage bags as part of its use- and application-based positioning strategy.

5. Differentiation-Based:
This strategy focuses on highlighting a crucial aspect of your product's differentiation by using your competitors as a point of comparison.

Example: Tesla sets itself apart by providing a stylish, all-electric automobile. Consumers that value innovation find this brand to be especially appealing.

6. Convenience-Based:
As you might have imagined, a convenience-based positioning approach emphasizes how much more convenient a brand is than its rivals. Usability, accessibility, support, design, and other crucial aspects of utilizing your product or service can all be used to describe convenience. If busy people are your target market segment, then this is a wonderful technique. Products with a focus on convenience frequently justify higher prices.

Example: Swiffer touts the simplicity of their WestJet product above conventional floor cleaning techniques. Instead of utilizing a mop and bucket to quickly clean floors, they emphasize in their positioning approach how simple it is to utilize a Swiffer mop for that purpose.

4.3 PRODUCT, PRICE, PROMOTION, DISTRIBUTION RESEARCH

Pricing Research

MEANING:

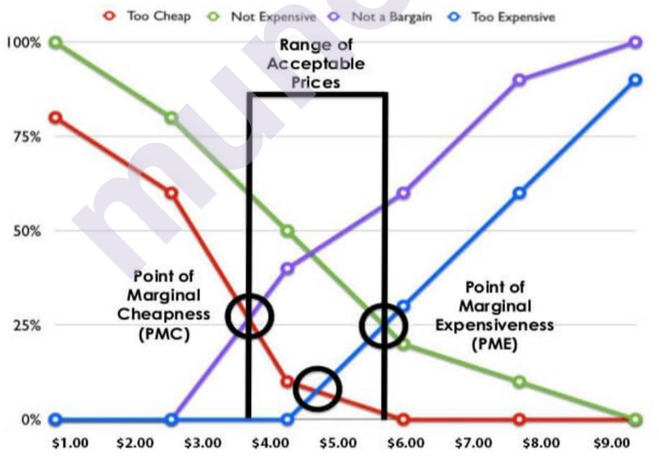
Pricing Research is a kind of investigation used to assess a product's or service's prices. It examines how the market's supply and demand fluctuate. To comprehend our possibilities in relation to our competition, pricing research is helpful. It's a great tool for figuring out what has to be improved so we can stay ahead of them.

As we can see, the main goal of observing and evaluating behavioral pricing is to increase profitability. This method enables us to understand how pricing impact business development and growth, which eventually impacts sales.Pricing Research is used to boost sales and cut expenses, by adjusting the prices of our goods or services in the market, we can achieve these goals. But it's important to keep in mind that price research has a mathematical foundation. This fact indicates that we are paying attention to a particular group of people and that we are actually getting quantitative data from them.

Pricing Research Models/Methods:

There are four methods to undertake Pricing Research and those are:-

❖ **VanWestendorp's:** Van Westendorp's Price Sensitivity Model offers a more thorough, multi-question model that indirectly assesses willingness to pay rather than asking potential customers the subject directly. The Van Westendorp model assists in evaluating a variety of costs rather than just one, as opposed to asking potential customers to specify a single price point.



To acquire the data for the survey following questions are asked:

- When would it be so cheap that you'd start to doubt the quality of this product?
- When do you believe the pricing of this product begins to represent a bargain?

- What price does this product reach when it starts to feel expensive?
- When does a thing become too expensive?

The Van Westendorp graph plots the number of people who believe a product is too cheap or too expensive, and the number who think it is not yet expensive or not yet a bargain.Based on the value clients provide, the Van Westendorp pricing model identifies the optimum price range.PointofMarginal Cheapness acts as a lower bound of acceptable prices, while Point of Marginal Expensiveness acts as an upper bound. These two boundaries provide a range of prices that a company can test for its products. The Van Westendorp model is effective in gauging consumer sentiments and is best used with a large sample of survey respondents to create a continuum of willingness to pay customers.

❖ **Conjoint Analysis:**
Conjoint analysis is a survey-based sophisticated market research analysis technique that aims to comprehend the process by which people make difficult decisions. Every day, we make decisions that involve trade-offs, maybe without even realizing it. Even seemingly straightforward choices, such as which laundry detergent to use or whether to schedule a flight, are mental conjoint studies that involve several factors. It is one of the best models for determining consumer preferences during the purchasing process is this one. Statistical analysis is then used to convert this data into a quantifiable measurement. It assesses goods or services in a way that no other technique can.

For Example:
Consider a situation where a product marketer needs to assess the effect of specific product characteristics on the projected market share or sales income.

We'll assume that the product in this conjoint study example is a cell phone. Apple, Samsung, and Google are rivals. The company must comprehend how various customers value characteristics like brand, pricing, screen size, and screen resolution. With this knowledge, they may tailor their product offering to the needs of customers. Conjoint analysis assigns values to product attributes and levels by creating realistic choices and asking people to evaluate them, allowing businesses to develop better business strategies and fulfill customer wishes.

There are two main types of Conjoint Analysis:
- Choice-based Conjoint (CBC)
- Analysis Adaptive Conjoint Analysis (ACA).

❖ **Monadic Testing:** It’s a set of questions that ask the respondents’ opinions about a concept and which preciseat tributes and features they like or dislike. The target audience divides into multiple groups that are presented with one of the concepts and asked questions about it.

A monadic test divides the target market into many categories. One of the concepts is presented to each group, and questions are posed regarding it.

These inquiries seek the respondents' opinions on the idea as well as which qualities and aspects they find appealing or repulsive.

❖ **Gabor-Granger:** Apricing question used insurvey research to specify the price elasticity of products and services. Determining the price of a productor service is an essential step and one of the most critical decisions for any organization.

One of the most important decisions for every firm is choosing the appropriate price for a good or service. Companies must pay expenses since they are not charities. To attract customers and make a profit, a product must be priced correctly. The primary goal of market research is often to determine your target audience's willingness to pay for services or goods. The fundamental issue that needs to be resolved is the value that your customers place on your items. The widely used Gabor-Granger technique involves showing them a price and then asking them if they would buy it or not.

Case Study

Effective pricing research design depends on knowing how your customers interpret price in the context of their purchases.

When Esther LaVielle worked her first job in high school selling cookies at the mall, she first wondered about this. The store had roughly 25 customers and charged $1.50 for each cookie and $1.29 for beverage. If you don't have a calculator handy, that works out to about $70.00 per hour, which is not much. When overhead and labor costs are taken into account, a shop's first year of operation ends in failure.

Why are so many people prepared to spend so much money on an iPhone, to use Apple as an example? They performed an excellent job of researching their advanced customers and concentrating on the key functions, which included photography, gaming, app development, and music. High-level users are prepared to spend more to get the greatest tools and experiences in these fields.

Apple was encouraged by this strategy to make significant investments in these technological fields because consumers and usage result in better goods. People are currently clamoring to pay more than $1,000.

Product Research

Meaning:

Product research is a marketing research procedure carried out to learn more about the required features and specifications of a product anticipated by potential buyers, primarily prior to the product's debut and availability. Product research enables businesses to ascertain the true demands of the consumer so that the product can be developed to meet those needs.

Importance of Product Research:

Product research can be done at many stages of the new product development process, making it a crucial activity. Product research assists a company in producing goods that consumers expect. Having a competitive advantage and holding a leadership position in the market is aided by this.

A product with thorough research will do considerably better in satisfying customer needs. When you are releasing a product in a market with lots of competitors, product research is even more crucial. Knowing the customer's opinions regarding the features and qualities may truly help create a product that addresses the problems with the existing items on the market.

Product Research Stages:

There are four stages of Product Research:-

Figure 4.5

Before Launch Research:

Product research can be done in the early phases to find and screen novel concepts. Through the avoidance of product development expenditures for the rejected concepts, this testing will assist in cost reduction. Product research can assist businesses in the later stages of product development by letting them know which features should be kept and which ones should be dropped.

Testing and Feedback:

Customers are also asked to test a freshly created product to discover any packaging or other adjustments that need to be made. When it comes to research, testing is crucial. Even with thorough study and testing, a product may still fail. Small groups, trials, offers, in-house testing, and other methods can all be used with real clients.

3. Soft Launch Research:

Before being introduced in all the target markets, the majority of the items are soft launched. In order to improve the product, feedback from prospective customers is gathered during the soft launch. Small areas or groups are the focus of test marketing, and the results are validated. If the soft launch is unsuccessful, further research on the product is required stage one more and might examine the merchandise.

4. Post-Launch Analysis:

The product gets released onto the market once everything is finished. Even though test marketing is done, things could change when it is introduced to a bigger audience. Therefore, it is crucial to observe and comprehend how customers behave and react to recently announced products or their variants. Consumer satisfaction with the product is evaluated once it is introduced. The most popular methods for conducting product research include focus groups, interviews, and surveys. The product's next steps can be planned based on this feedback.

Promotion Research

Meaning:

The goal of promotion is to tell customers about the benefits and characteristics of a product or service to raise awareness, spur demand, and increase sales. Promotion is a group of outbound communication activities. Depending on the activity, PR, direct marketing, sales promotion, advertising, and personal selling can all be used to generate marketing promotion. It is a crucial commercial activity since it advertises the advantages of the product, draws clients, and boosts revenue.

Importance of Marketing Promotion

Marketing promotion has a significant impact on business. Without efficient advertising, there may be little market knowledge of the product, which would result in fewer than anticipated sales. On the other side, marketing promotion would likewise need a certain budget, but it aids in raising consumer awareness, allowing the company to generate more income.

Marketing promotion's primary goal is:

- ❖ To introduce a fresh product.
- ❖ To inform consumers about how to use the product.
- ❖ Building brand value and image Raising product awareness Standing out from the competition Increasing product recall.

- To balance the demand by persuading consumers to make large purchases, especially during the off-season.

Types of Promotion:

Figure 4.6

Personal Selling:

It is a promotional activity wherein an individual is involved in interacting with customers/ clients to achieve sales. **Example**: Salesman

Advertising:

Advertisements are a form of marketing promotion such as commercials on TV, ads on the internet, hoardings, print medium like newspapers, magazines, fliers etc. which is intendedtoinfluencethepublicviewingitand which is paid for.

Sales Promotion:

It can be of two types-Trade or Consumer. **Example** is coupon or price discounts which stimulate sales.

Direct Marketing:

Directly selling to customers without any retailer in between. They have a call to action.

Example is selling through newspaper advertising, magazines, mailers, fliers, catalogs, targeted TV commercials etc.

Public Relations (PR)

PR is managing information flow between an organization and the public. It is aimed at maintaining a particular image in the minds of customers, investors, and other stakeholders. **Example**: Sponsoring events, new spa perarticles etc.

Distribution Research

Meaning:

Distribution Research refers to the collection and analysis of information related to the sales of a product or brand and its distribution through various retail channels so as to enable the management to make better decisions.

Importance of Distribution Research:

In order to help management, make better decisions, distribution research refers to the gathering and analysis of data on a product or brand's sales and distribution through various retail channels. A brand's or product's in-depth distribution study reveals details about its retail presence, market size and share, sales made, how well the competition is doing business, and the seasonality of demand.

- Better management of salesc hannels with enhanced knowledge
- Better segmentation of distribution with in sales channels
- Roles played by inter mediaries in the sales process.
- Understanding the centers of influence with in a sales channel
- The company’s market position with in a particular sales channel.

The main intermediaries in a distribution process are agents, wholesalers, distributors, and retailers. Various methods of marketing and distribution research are:

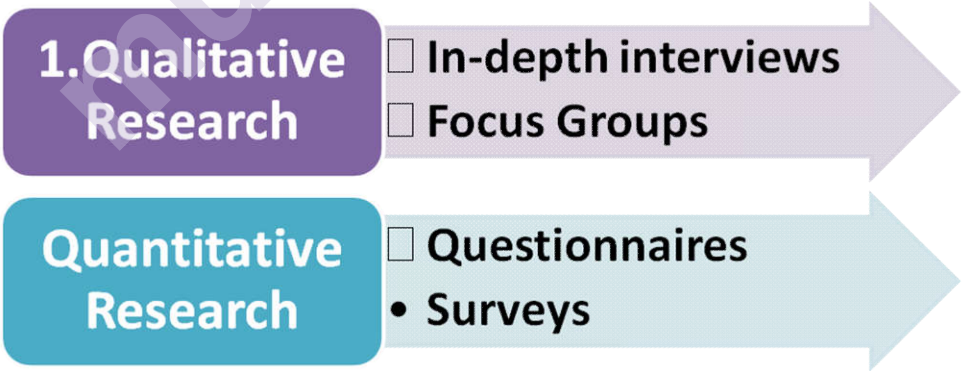


Figure 4.7

1. **Qualitative Research**
   Qualitative research involves collecting and analyzing non-numerical data (e.g., text, video, oraudio) to underst and concepts, opinions, orexperiences. It can be used togather in-depth insights into a problem or generatene wide as for research.

- **In-depthinterviews:**
  In-depth interviews are a qualitative data collection method that allows for the collection of a large amount of information about the behavior, attitude and perception of theinterviewees.

- **Focus Groups:**
  A Focus Group is best defined as a small group of carefully selected participants whocontribute to open discussions for research. The hosting organization carefully selects participants for the study to represent helarger population they're at tempting to target.

2. Quantitative Research:
Through the collection of measurable data and the application of statistical, mathematical, or computer methods, quantitative research is the systematic analysis of phenomena. With the aid of sampling techniques, online questionnaires, polls, and surveys, quantitative research gathers data from current and potential clients.

- **Surveys:**

For all quantitative outcome research approaches and studies, survey research is essential. A sample of respondents is surveyed using a variety of methods, including online polls, online surveys, paper questionnaires, web-intercept surveys, etc.

Every business, no matter how big or little, wants to know what its customers think of its goods and services, how well new features are received by consumers, and other information of the like.

- **Questionnaires:**

A questionnaire is a type of research tool used to gather data from respondents and consists of a series of questions or other prompts. Typically, a research questionnaire will have both closed-ended and open-ended questions.

4.4 SALES PROMOTION RESEARCH

Meaning:

A transitory campaign or offer is used by a company as part of a sales promotion to raise interest or demand in its product or service. A company may decide to utilize a sales promotion (or "promo") for a variety of reasons, but the main one is to increase sales. Sales increases could be required to meet a quota as a deadline draws near or to spread word of a new product.

Types of Sales Promotion:

There are 12 different categories of Sales Promotions exist. Although not all of them are appropriate for every industry, product, or service, each one offers distinct opportunities to increase sales and forge stronger bonds with clients by utilizing various sales psychology techniques. Each presents a comparison of sales methodologies and offers an unusual perspective on spin selling.

Figure: 4.8

1. Competitions and Challenges:

Competitions and challenges are frequently held on social media and enhance customer engagement as participants compete to win a reduced or free item. If the competition or challenge involves posting the brand on a customer's personal social media account, they typically also produce a significant amount of free publicity.

2. Product Bundles:

Instead of purchasing the products separately, product bundles offer a combination of goods at a per-item discount. Product bundles encourage clients to purchase a wider range of goods, increasing the likelihood that they may discover something they like and wish to purchase again.

3. Flash Sales:

These incredibly brief deals provide steep savings for a constrained period. These sales function by generating a sense of necessity and urgency surrounding your purchase.

4. Free Trials:

Offering free trials or demos is one of the most popular sales tactics and one of the most effective ways to expand your clientele. Businesses can provide a first-time customer with a limited supply of the goods or a limited period with the product for free to see if they enjoy it.

5. Free Shipping and/or Transfers:

Promotions that provide free shipping aim to reduce the 70% of customers who leave their carts empty when they see the delivery prices. In most cases, pleased customers purchases more than make up for the slight loss in delivery costs.

6. Free Products:

Free product marketing operates by giving away a small item for free when a larger, more popular item is purchased. This increases sales among all demographics without depleting the company's inventory or revenue levels.

7. Early-bird or first-purchaser discounts:

To welcome new customers, these discounts are given to first-time buyers. Discounted prices are more likely to be purchased, and because the discount only applies once, less income is lost by the business.

8. **BOGOS pecials:**

The main purpose of BOGO, or "buy one, get one free," promotions is to raise consumer awareness of the products. Customers can spread the word about their products by giving extras to friends or family.

9. Couponsand Vouchers:

Current customers are rewarded for their brand loyalty through coupons and vouchers, which also stimulate future purchases. This works particularly well for businesses that use punch cards to encourage clients to buy more than once in order to qualify for a free item.

10. Upsell Specials:

Although upsell promotions are less frequent than the others, they can nevertheless be very powerful. Upsells provide a less expensive product for first-time customers to test, and over time, the sales team strives to persuade them to buy the more expensive and superior product.

11. Subscriptions:

Since subscriptions are typically long-term purchases, they are not always considered sales promotions, however offering varying quantities of a product at various price points is a sales promotion strategy. With a subscription, the buyer makes one substantial upfront payment for a lot of stuff.

12. Donations:

Donations are a great method for a business to gain credibility and goodwill among its clientele. Most donations are successful when a business donates a share of each sale made over a specific time to a nonprofit organization.

4.5 CAMPAIGN TRACKING RESEARCH

Meaning:

The questionnaire used for campaign tracking that uses quantitative market research must closely match the previously established goals of the advertising campaign. The campaign's performance is then assessed along with the KPIs that were previously established. Additionally, the effectiveness of the advertising media used is examined, allowing assessments of how well the advertising budget was utilized. Any advertising medium, including TV, print, radio, online, social media, and (digital) out-of-home advertising, can have its effectiveness evaluated.

Stepsin Campaign Tracking:

Step 1: Determine the main Key Performance Indicators based on the objectives of your campaign:

Consider the business goals you're attempting to accomplish while identifying the important metrics for your campaign goals.

For Example: You should monitor things like website views, mentions, social media followers, or leads generated if your objective is to raise brand recognition. You should consider conversion rates or average order values if you want to increase sales.

Step 2: Select the equipment you will need:

You must select the tools you'll employ to gather this data as you pick what metrics to prioritize and what data to track. Selecting the optimal alternative is made possible by initially identifying the toolkit. But how do you pick the ones that suit you the best? Find a web analytics platform like Google Analytics or switch to Amplitude Analytics if you need to collect quantitative data about website traffic, customer behavior, etc.

Step3: Implement a monitoring tool:

Simply said, it is difficult to constantly monitor everything that occurs online. Measuring the effectiveness of the campaign is much improved by setting up a monitoring tool that will do it for you.

Step4: Setup notifications.

Monitoring systems not only collect events and give users access to analytics dashboards, but they also send notifications about things that are happening around your company.

Step 5: Create the reports:

Visualize the gathered information to make a report.

Step 6:Analyze, test, and optimize:

A marketing campaign would be like a recipe without measurements, without testing and optimization - you might be able to get near, but the outcome won't be as excellent as if you'd taken the time to measure everything out.

4.6 SUMMARY

- Market segmentation is the process of dividing the target market into smaller groups that share similar characteristics, such as age, income, personality traits, behaviour, interests, needs or location. Companies can use three criteria to identify different market segments viz. Homogeneity, Distinction, Reaction.

- Demographic segmentation involves segmenting the market based on factors such as age, income, gender, race, education, and occupation. Geographic segmentation organises clients according to their actual locations. Psychological segmentation aims to categorise consumers based on their lifestyle, personality, attitudes, and interests. Behavioural segmentation divides consumers into categories based on their previous interactions with markets and products.

- Market segmentation can lead to increased up-front marketing expenses, increased complexity of the product range, greater chance of making errors, and increased reliance on trustworthy data.

- Market positioning is the process of establishing a brand image that stands out from competitors. It has a number of benefits, such as competitive positioning, increased sales, defining target markets, effective decision making, and linking to customer needs.

- Positioning strategies include attributes and benefits-based, price-based, quality-based, use and application-based, differentiation-based, convenience-based, and differentiation-based.

- Van Westendorp pricing model plots the number of people who believe a product is too cheap or too expensive, and the number who think it is not yet expensive or not yet a bargain. It is effective in gauging consumer sentiments and is best used with a large sample of survey respondents to create a continuum of willingness to pay customers.

- Product research is a marketing research procedure carried out to learn more about the required features and specifications of a product anticipated by potential buyers, primarily prior to the product's debut and availability.

- The most popular methods for conducting product research include focus groups, interviews, and surveys. The product's next steps can be planned based on this feedback.

- Marketing promotion is a group of outbound communication activities that can be used to raise awareness, spur demand, and increase sales. It is a crucial commercial activity since it advertises the advantages of the product, draws clients, and boosts revenue.

- Qualitative research involves collecting and analysing non-numerical data to understand concepts, opinions, or experiences and Quantitative research is the systematic analysis of phenomena through the collection of measurable data and the application of statistical, mathematical, or computer methods.

- There are 12 different categories of Sales Promotions these includes: - product bundles, flash sales, free trials, free shipping and/or transfers, and free products. Competitions and challenges are held on social media and enhance customer engagement as participants compete to win a reduced or free item.

- The questionnaire used for campaign tracking that uses quantitative market research must closely match the previously established goals of the advertising campaign.

- Campaign Tracking include determining the main Key Performance Indicators based on the objectives of the campaign, selecting the equipment, implementing a monitoring tool, setting up notifications, creating reports, and analysing, testing, and optimizing the campaign

4.7 QUESTIONS

1. WhatdoyoumeanbyMarketSegmentation?
2. ExplaintheimportanceofProductResearch.
3. Explain the concept of Sales Promotion Research.
4. Elaborate the concept of Campaign Tracking Research.
5. ShortNotes:

   I. Pricing Research Method.

   II. Types of Positioning Strategies.
6. Multiple Choice Questions:

I. ________ organizes clients according to their actual locations on the basis that it's likely that residents in the same region will have similar wants.

(Geographic Segmentation, Psychographic Segmentation, Demographic Segmentation).

II. In ________ types of Positioning brand can advertise its position as the least expensive or most inexpensive by using price-based market positioning, which offers customers the best value.

(Attributes and Benefits-Based , Price-Based, Quality-Based).

III. The _______ graph plots the number of people who believe a product is too cheap or too expensive, and the number who think it is not yet expensive or not yet a bargain.

(Van Westendorp, Conjoint Analysis, Monadic Testing).

IV. __________ is a marketing research procedure carried out to learn more about the required features and specifications of a product anticipated by potential buyers, primarily prior to the product's debut and availability.

(Pricing Research, Product Research, Post-Launch Analysis**).**

V. ________ is a type of research tool used to gather data from respondents and consists of a series of questions or other prompts.

(Questionnaire, Surveys, Focus Groups**).**

VI. _________ emphasises on how much more convenient a brand is than its rivals by its usability, accessibility, support, design, and other crucial aspects of a product or service.

(UseandApplication-Based, Convenience-Based Positioning, Quality-Based).

VII. ________ strategy focuses on highlighting a crucial aspect of the product's differentiation by using your competitors as a point of comparison.
(Convenience-Based, Differentiation-Based, Attributes and Benefits-Based)

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5

ADVERTISING RESEARCH

Unit Structure

5.0 OBJECTIVES

- To study the elements of Advertising Research.
- To understand the concepts of Copy Testing and Ad-Tracking.
- To understand the concepts of Ad-Recall and Ad- Comprehension
- To understand several types of Advertising and how it works.

5.1 INTRODUCTION

To discover which advertisements will be most successful with the target audience, advertising research is conducted. This is done both during the preparation of the advertisement and while the campaign is running. With the aid of a thorough investigation of advertising objectives, product appeals, copy testing, and media efficiency, advertising research will be carried out to assess the influence of advertising or the outcome of the effort.

The objectives of the research should concentrate on:-

- The optimum utilization of advertising budget.
- The media used to carry out an advertising campaign.

- The impact of advertising on the intended audience.
- To make advertising more affordable.

In a nutshell, it is accomplished through a process that comprises the methodical collection, recording, and analysis of data pertaining to an advertisement's efficacy.

Essentials of Advertising Research

- **Research Equipment:**

It is a fundamental prerequisite for marketing research. It consists of a qualified individual, a computer with internet access, and pertinent publications and magazines. But field research is equally crucial. For example, interviewing people in the market or their residential places.

- **Media Research:**

Media research is required to determine which media is the most effective vehicle for advertising. It helps you more effectively and affordably approach new customers.

- **Marketing Trends:**

Understanding marketing trends enables advertisers to identify the products that consumers are purchasing as well as the precise qualities of those products that force consumers to make a purchase. Manufacturers can alter their product in accordance with the trend in the competitive pricing range using this information.

- **Target Audience:**

For any advertising research, it is very important to identify target audience and geographic location.

5.2 ADVERTISING RESEARCH

Meaning:

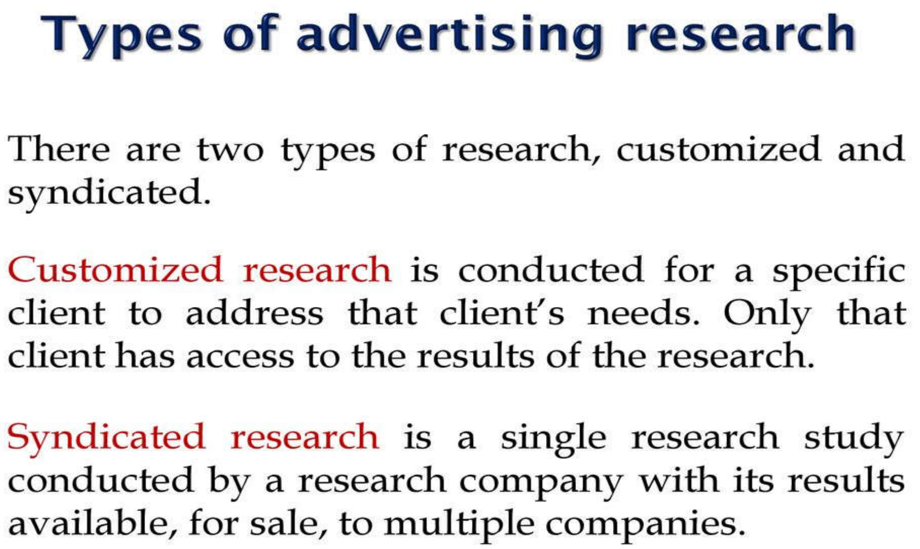
Advertising research is to be conducted to measure the advertising impact or the result of the effort with the help of detailed study on advertising objectives, product appeals, copy testing, and media effectiveness.

The objectives of the research should concentrate on –

i) The optimum utilization of advertising budget
ii) The choice of media in implementing an advertisement campaign
iii) The effect of advertising on the target audience.
iv) To bring cost-effectiveness in advertising.

Types of Advertising Research:

There are two main **types of advertising research**. Each type achieves a different goal.



Source: slideplayer.com

1. Customized Research:

Customized research is more thorough and geared towards the requirements of a specific firm or industry. Research is specific to each industry so that business owners can learn more about their rivals.Performing market research, benchmarking, industry interviews, and many other types of study are all included in customized research. The fundamental tenet of personalized research is that it is more precise, efficient, and effective than random research.Only the client who ordered the study has access to the data generated from customized research.

For Example:

The SGT Company asks the CTV company to evaluate the effectiveness of an ABC energy drink advertisement. Only the SGT Company can view the results of the study. Results of the study cannot be sold or published without permission from the SGT company.

2. Syndicated Research:

Syndicated Research is carried out on an impartial basis (without being hired). The study's findings can be sold to a variety of clients by independent researchers.

For Example: The CTV company researches the ABC energy drink advertisement. The CTV company can sell the results to any client.

Advantages of Advertising Research

Figure: 5.1

1. Enhanced Creativity:

Advertising research enables marketers to examine many tactics to identify the strategy that connects with the target audience the most.

2. Improved targeting of audiences and platforms:

Marketers can choose the optimal media and time to broadcast ads by doing advertising research. Users prefer various systems differently. While Facebook users prefer image advertising featured in their feed, people on YouTube are more likely to respond to video ads.

3. Progress Monitoring:

Company can monitor KPIs like brand awareness, purchase intent, and brand image over time to get an idea of how well your campaign is performing. It will also assist you in deciding whether interventions are required.

4. Brand Image Evaluation:

Using advertising research, you may assess how your brand stacks up against rivals. In comparison to your rivals, it also reveals how your audience views your brand. It is crucial to influence how target audiences perceive your brand or improve its image.

5. Improved Prospects for Advertisement Success:

We can produce advertisements that are relevant to your audience by using the data you get from conducting advertising research. It greatly raises the possibility of conversion.

Methods of Advertising Research:

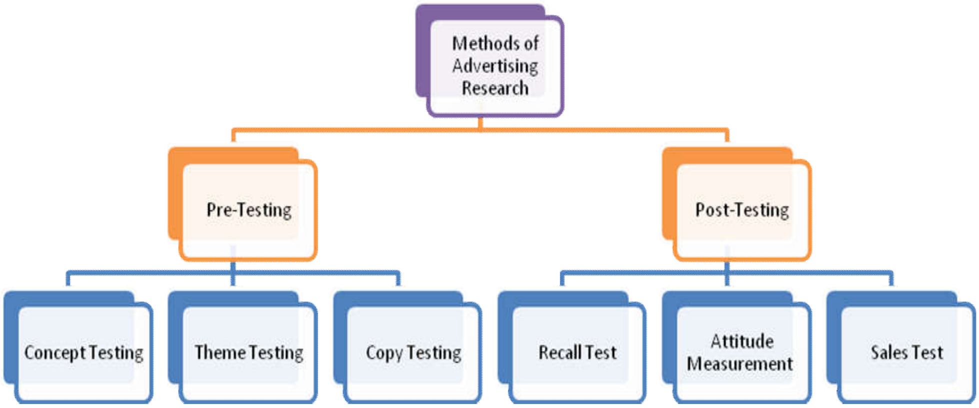


Figure: 5.2

1. Pre-testing Method of Advertising Research

Meaning:

Pre-testing a message or piece of copy involves evaluating its viability before printing or broadcasting it. It is helpful because the advertiser, the advertiser's company, or the advertising agency may believe the concepts in advertising to be straightforward and successful. From the perspective of the layperson, it could be challenging. Pre-testing is necessary for each component of the advertisement material to ensure that the message, "prevention is better than cure," has been effectively communicated. On this foundation, pretesting techniques are used.

Here are somepre-testing techniques:-

a. Concept Testing

Before introducing a product or service, it is helpful to test the concepts by asking clients what they think about them. This research technique is known as concept testing. As a result, it is easy to determine the customers' acceptance and willingness to purchase and make important decisions prior to the launch.

For Example: InTesla Participants were presented with the idea and given the chance to put down a deposit on one of their own when Tesla introduced its Model 3 in 2017.The company was able to raise an additional $400 million from investors thanks to the comments.

b. Consumer Jury Test:

One or two ads out of several being examined are selected by a small group of consumers acting as a jury. The jury members rank the advertisements and provide answers to questions like which advertisement was the most impressive, which advertisement most encouraged you to purchase the goods, which advertisement did you notice first, etc.

The Order of Merit Rating and Paired Comparison tests are the two ways used to administer this test. The jury members rank the advertising according to their preferences in the Order of Merit Rating Test. At the conclusion, the best advertisement copy is determined. The best, though, can be the best of the bad.

c. Copy Testing:
Copy testing is a specialized field of market research that assesses an advertisement's performance based on reactions, feedback, and consumer behavior. Pre-testing is another name for copy testing. It includes testing across all media platforms, such as social media, print, radio, and the internet. Pre-testing is beneficial for a business to determine whether an advertisement contains a message powerful enough to stick in the minds of its prospects.

Several tests are conducted to gauge the campaign's efficacy prior to the release of an advertisement. Even after the advertisement has been broadcast, these evaluations are done to see how effective it was.

2. Post Testing Methods of Advertising Research

Meaning:

Post-testing, or as it is also known, "Ad tracking," can be customized or syndicated. The performance of a brand, including brand recognition, brand preference, product usage, and attitudes, is tracked by tracking studies, which offer either periodic or ongoing in-market research. Advertising tracking can be done by telephone interviews or online interviews—with the two approaches producing fundamentally different measures of consumer memories of advertising, recall versus recognition.

Here are some types of post-testingtechniques:

1. Recall Test:
In a recall test, the efficacy and reach of an advertisement are evaluated by having a subject name for any memorable advertising messages. To evaluate the success of a specific marketing and advertising campaign, recall tests are undertaken among people. Their campaign was successful if consumers showed positive ad awareness on a recall test.

2. Attitude Measurement Test:
Marketers measure the shift in consumer opinion following an advertising campaign and look for evidence of altered consumer perceptions of the under-researched brand. Additionally, they believe that a favorable perception of their brand may result in additional purchases. A scale like the Likert scale, Thurstone scale, Differential scale, Guttman scale, etc., can be used to rate an individual's attitude.

3. Sales Test:
In this method, marketing efforts are carried out in the test markets.The actual sales in these markets provide evidence of their effectiveness.The best market for a successful sales effort is generally thought to be the one with the biggest sales.For the campaign, appropriate alterations are made

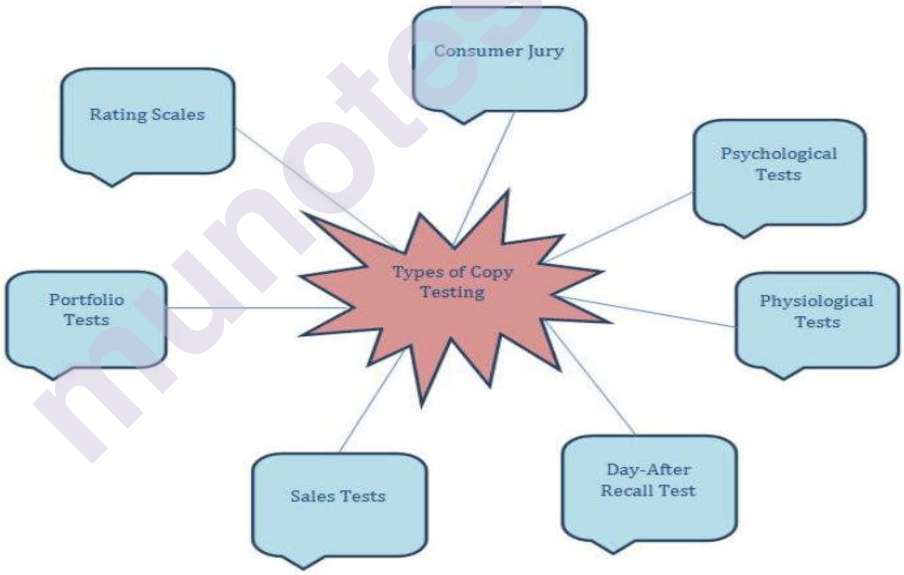
in the other markets.When advertising is the only variable and the primary component of a company's marketing strategy, sales tests are particularly useful tools for assessing the effectiveness of advertising.These kinds of tests, particularly field investigations, are very costly and time-consuming.

5.3 CONCEPT OF COPY TESTING, AD-TRACKING, AD-RECALL AND AD- COMPREHENSION

- **Copy Testing**

Meaning:
Copy testing is a specialized field of market research that assesses an advertisement's performance based on reactions, feedback, and consumer behavior. Pre-testing is another name for copy testing. It includes testing across all media platforms, such as social media, print, radio, and the internet. Pre-testing is beneficial for a business to determine whether an advertisement contains a message powerful enough to stick in the minds of its prospects.

Types of Copy Testing:



Source: studiousguy.com

There are seven main copy testing techniques-

1. Consumer Jury:
Consumers are asked to compare, rank, and assess advertising as part of a consumer jury test, a technique for testing advertisements.Of all the copy testing techniques, it is the oldest and most straightforward. A one-on-one interview may take place, or a group of 50 to 100 individuals could be gathered and asked to cast votes based on their interests, preferences, or even how likely they were to purchase the product. The rating supplied by a group of people who mostly reflect the product's potential customers is then shown. A controlled and economical method is a consumer jury.

2. Rating Scale Copy Testing:
Establishing productive copy standards and assigning numerical weights to each criterion are necessary for a rating system. Later, ratings are given to advertisements using a scale, and either a grade or a percentage is obtained. The advertising manager can check the advertisement using the list provided by this test. It also helps in identifying and highlighting the positive and negative aspects of an ad copy. Depending on their relative importance, the weights may be set to various aspects on which the copy is to be checked.The majority of professional advertising agencies that rate advertisements employ the rating scale method.

EXAMPLE

Rating Scale copy testing of a restaurant:

QUALITY OF FOOD	VPOOR	POOR	OK	GOOD	EXCELLENT
SERVICE					
CLEANLINESS					
PARKING					
PRICING					

Source: studiousguy.com

3. Portfolio Tests:
Portfolio testing is a copy testing procedure in which the standard advertisement is stored in a folio with several false copies. A portfolio contains a collection of commercials, primarily test and control ads or a mix of the two. Respondents chosen from the target market are asked to recall in detail the advertisements they remembered after looking through a portfolio of many variations of that commercial. The best advertisement is the one with the shortest playback.

It is crucial to pay attention to whether the chosen advertisement is a fake one or a real one. If a duplicate is discovered, the actual advertisement is adjusted appropriately.

4. Psychological Tests:
Psychological Copy testing is a process that combines several techniques, such as word association, phrase completion, depth, interviewing, and narrative. There is a predetermined list of possible responses, such as self-pity, safety, dread, nostalgia, etc. Then, depending on reader feedback, alternative advertisements are ranked. Implementing the psychological technique is challenging because it calls for knowledgeable interviewers.
Because copy testing is psychological in nature, several psychological tests, such as

- Readability and Comprehension
- Tests of Believability
- Attitude tests
- Triple hostility tests

5. Physiological Testing:
In physiological copy testing, experiments are carried out using specialized laboratory apparatus that captures each subject's physiological reactions to the advertisements. In this case, the respondents' physiological

responses are thought to be more important than what he says. These types of testing employ the Eye Moment Camera, Galvanometer, and Pupilometer devices as its three basic tools.

6. Sales Copy Testing:

In this method, marketing efforts are carried out in the test markets.The actual sales in these markets provide evidence of their effectiveness.The best market for a successful sales effort is generally thought to be the one with the biggest sales.For the campaign, appropriate alterations are made in the other markets.When advertising is the only variable and the primary component of a company's marketing strategy, sales tests are particularly useful tools for assessing the effectiveness of advertising.These kinds of tests, particularly field investigations, are very costly and time-consuming.

7. Day-After Recall Test:

A day after recall test is a way to gauge the proportion of individuals who remember viewing the advertisement the day after it was broadcast on television. The goal is to ensure that consumers receive the advertising message. One-on-one interviews are conducted to obtain the consumer response. Standardization of the test is used to prevent falsified results. Increase in sample size is advocated for day-after recall tests. One of the first types of copy testing are these tests. Because there is a lack of data and research, few advertisers still employ.

There are certain drawbacks to this copy testing method.

- Interviews turn out to be costly.
- Few people claim to have seen an unseen advertisement.

Example: HUL launched an ad for AXE Signature, in which a subtle form of romance is used with the main message of its lasting fragrance. If the consumer after watching the ad can only recall the romance part then the ad is not considered to have done well on a recall test.

The marketing campaign is an expensive affair. To ensure that the organization obtains maximum benefits for its investment, it is critical to conduct research and testing before the campaign and repeat its effectiveness again. In general, copy testing is appropriate for strategic research in which one aims to scrutinize the relative effectiveness of one advertising theory over the other. Copy testing assists in the evaluative research in which one attempts to take a final call.

- **Ad-Tracking**

Meaning:

Ad tracking is the routine assessment of the evolution of the effects of ads. For instance, a research study using ad tracking can compare the effect of an advertisement after 6 months and 2 years. It alludes to the method of evaluating the efficacy of advertisements utilizing data. With the use of URLs, cookies, and even invisible pictures known as "pixels," clicks, impressions, conversions, and other actions may all be measured in a variety of ways.Despite the fact that ad tracking entails some degree of recording user behavior, it is unquestionably lawful. However, because of growing worries about user privacy, it is now more strictly regulated than it originally was.

For the first time, cookies were classified as personal information under the General Data Protection Regulation (GDPR). It cleared the groundwork for similar legislation to be passed by many international governments. Now, advertisers who collect user behavior for ad monitoring must abide by tight guidelines or face severe financial penalties.

Types of Ad-Tracking:

1. Tracking URLs

A tracking URL is a website page's URL that also includes a tracking tag. The code appended at the end is the only distinction between a tracking URL and a regular URL.PPC, email marketing, and online advertising efforts benefit most from this approach. They assist in identifying the demographics of the most lucrative audiences.

2. Tracking Pixels

Tracking pixels are tiny, frequently eleven translucent graphics that are included to emails, websites, and advertisements. These pixels alert analytics systems that the advertisement, email, or website has been viewed as they load.

This approach works best for:

When evaluating the success of a particular campaign, tracking pixels can be especially beneficial. For instance, if an advertiser installs a pixel atop an advertisement and the pixel loads faster than the traffic the advertisement generates, the advertiser can count the number of times the advertisement has been viewed or clicked.

3. Cookies:

Browser files called cookies are used to store user data like preferences, behavior, and location. Delivering advertising via cookies can be seen as unethical when done ineffectively. If not utilized properly, it may even be unlawful.

But when utilized wisely, they may benefit both users and advertising. Cookies can be used by advertisers to create customized profiles of their customers so that they see more pertinent advertising.

This approach works best for:

Cookies, for example, are key in the delivery of personalized retargeting ads for offers a visitor has seen but not claimed. These can appear on social media platforms like Facebook or even across ad networks like Google Display.

Advantages of Ad-Tracking

1. **Recognize the audience:** Ad tracking aids in identifying your company's target market. To what do they react? From where do they originate? What search terms do they make use of to find the company? The first step to generating additional income is to respond to inquiries like these.

2. **Campaign Optimization:** When a corporation understands what the audience responds to, it may redirect advertising funds to more lucrative campaigns and improve current ones to more effectively target certain client segments.

3. **Personalize the Content:** When advertisers are aware of which ads resonate with their target market, they are better able to plan their budgets and choose the right campaign material. They will learn more about their audience and be better able to serve them by tailoring the messaging, offers, channels, and other factors as they gather more ad tracking data.

4. **Increased Conversions:** As a result of personalized content's high level of relevancy. Campaigns are more likely to produce a favorable response, which results in more conversions and revenue when they are more pertinent to the audiences.

Tracking Advertising across platforms

The ad tracking techniques mentioned above are used by the majority of networks and platforms. The two largest ad platforms, Facebook and Google, use this type of ad tracking.

FACEBOOK

Meta pixel is used for the most popular kind of native Facebook ad tracking. They utilize the pixel to track Facebook campaigns in the Ads Manager by embedding code on a campaign landing page. Facebook makes it possible to track a variety of user behaviors on websites, in addition to simple impressions and clicks. This covers signups, purchases, downloads, and more.

GOOGLE

Google, like Facebook, permits surveillance of a variety of activities, including app installations, purchases, and even phone calls. By setting up conversion monitoring on the web pages, companies may track these KPIs and more in Google Ads Manager. Other metrics they can monitor include:

- **Impressions:** Find out how frequently any advertisement has been viewed.

- **Clicks:** Determine the frequency of any ad version's clicks.

- **Call clicks:** Count the number of times prospective clients clicked the "Call" button on the advertisement while using a mobile device.

- **Verified calls:** Monitor the frequency of calls made to the Google forwarding number in any version of the advertisement.

- **Map actions:** Keep track of how many times viewers of the advertisement clicked the company's pin on Google Maps or requested directions to the company.

- **Analytics objectives:** They may track the traffic from the advertising by tying the Google Analytics and Google Ads accounts together.

- **Amount spent:** Check your spending total.

- **Ad-Recall**

Meaning:

Ad-Recall is the practice of speaking with a group of people after an advertisement has been run to find out what, if anything, the respondents remember about the advertisement.It is a type of market research that assesses preferences, distastes, awareness, perception, propensity to buy, and other important performance metrics that are not available on conventional digital analytic platforms.

Steps to conduct Ad Recall Surveys

Step 1. Expose respondents to an advertisement:

The audience is first exposed to an advertisement as part of market research. A long time ago, most of the advertising memory revolved around television ads.Ad recall polls have expanded significantly beyond conventional advertising channels, though, with the rise of digital and online marketing.

Step 2. Send a follow-up survey:

A follow-up survey or interview is undertaken with the same targeted audience after the respondent has been exposed to the advertisement to help the market research organisation learn what, if anything, the respondent remembered about the advertisement. The surveyor or interviewer can delve deeper into specifics such brand tie-ins, sentiment, feelings, emotions, likes, and dislikes if they can recall anything in particular.

Step 3. Analyse the results:

A market research company will evaluate the comments after the fieldwork for the ad recall survey is finished. There are several alternatives for reporting given the allocated money.

- **Ad-Comprehension**

Meaning:

Understanding is a crucial component needed to create or modify attitudes, memories, intentions, and behaviour. It takes into account a variety of elements, including as the message, how the message is processed, and the target audience's comprehension of the message.

Two orientations exist for comprehension. The first is subjective, whereas the second is objective.

Subjective comprehension refers to the interpretations that a specific person makes after activating and processing relevant mental concepts.

Objective comprehension is the ability to understand or extrapolate meanings from an advertiser's message.

5.4 STAGES INVOLVED IN ADVERTISING RESEARCH

Meaning:

It is a detailed analysis of various marketing aspects to formulate a result-oriented advertising campaign. An advertising research process helps in understand the attitudinal pattern of the target audience and customersreaction.

Steps involved in Advertising Research:

1. SWOT Analysis: As a first stage, the business should conduct a SWOT analysis and give a brief overview of the new product.

2. Establish the Goal: What message should the next campaign deliver? At this point, the answer to this query is established.

3. Market Research: This is where the actual market research starts. It is gathered and analysed information about market behaviour, current trends, competitors, consumer reactions to an existing or pertinent product, and so forth.

4. Identify the Target Audience: In this step, in-depth research is conducted to identify the target market most likely to purchase the new product.

5. Choosing the Right Media: Select the best medium to advertise your goods onin order to effectively and correctly reach your target audience.

6. Budget Determination: The advertising budget is planned at this stage based on the previous procedures. Additionally, the amount of money that is available and the expected profit are both estimated here.

7. Creating the Ad: Here, the copywriters design an imaginative advertisement with a poignant narrative. The art directors also really create the advertisement. Make it shine, the advertisement has been reformulated and refined multiple times.

8. Launch Day & Time: The date, time, and location of the launch are chosen based on the results of the market research.

9. The actual launch takes place when and how it is decided.

10. Performance Evaluation: The final phase after the product launch is to evaluate the campaign's effectiveness in terms of awareness, reach, lead generation, customer acquisition, sales, and profits made.

5.5 TYPES OF ADVERTISING MEDIA RESEARCH.

Meaning:

The study of the impacts of various mass media on social, psychological, and physical elements is known as media research. People are divided into groups in research according to the media they access, including magazines, radio, and television shows.

It covers a research on the evolution of media as well as media's accomplishments and consequences. newspaper, magazine, radio, television, movie, or other mass media analysis and information gathering. Understanding how media can satiate audience demands is beneficial. Whether it is capable of supplying information and pleasure to a wider range of individuals. The medium is improved or enhanced by new technical developments. Thus, supervision and regulation of the media are necessary in order to approach social and political issues intelligently. Media research can be used to evaluate data objectively.

- **Print**

A popular form of advertising is print advertising. These commercials can also be found as booklets or fliers inside of newspapers or magazines. Print advertising encompasses everything that is written for a specific target audience and is published in print media.

Readers of newspapers and other periodicals have a propensity to peruse the print advertisements they come across. Though they may not make the decision right away, it does become ingrained in their subconscious. They are enticed to purchase the product the next time they see it in the store.

Advantages:

1. Appeal to visual learners:

Print material is frequently kept at homes, read multiple times, and shared. Newspapers and publications with a lengthy shelf life can be found in libraries, public spaces, and doctor's offices. This boosts the exposure of your advertisement. Print advertisements have a better chance of sticking as compared to digital ads, which disappear instantaneously.

2. Gives a higher ROI (Rate of Investment) than digital ads:
Print media tends to be kept at homes, read again, and shared. The long shelf life of newspapers and periodicals found in libraries, public spaces, and doctor's offices boosts the exposure of your advertisement. Compared to digital ads, which disappear instantaneously, paper advertisements have a higher chance of sticking.

3. Loyal customer base:
Print media has a sizable, devoted readership that consistently purchases the magazine on a weekly or monthly basis for weeks, months, or even years. As a result, you can be sure that your print media advertisement will receive a lot of exposure.

4. Flexible:
There are numerous choices for print media advertising. You have the freedom to choose the style of advertisement that best suits your needs and price range, from full-page advertising to small ad listings and features.

5. Develop trust:
Print media is among the most dependable media sources, according to research. Print media advertising can generate more sales for you than any other form of media because people buy from individuals they trust.

6. Speak to various generations:
Newspaper and magazine readers can range from teenagers, young adults, and seniors, making it simple for you to target a broad audience.

7. Ideal for regional targeting:
It is the ideal way to share your message or advertise your business if you are a local business or organisation. Raise awareness among the local community, you can simply distribute pamphlets in public spaces and arrange for your adverts to appear in local newspapers.

Disadvantages:

1. Not for a global audience:
Print media is not the best method to get the word out about your business if you are targeting a global audience as it isexceedingly rare to find print publications that read globally.

2. Needs extensive planning:
Publication in print media involves a lengthy process. You will need to prepare the advertisement, compose the copy, engage a designer, send the copy to the newspaper, and handle the payment. The procedure could take a while and be difficult.

3. It is challenging to narrow your audience:
It's challenging to target specific audiences using print media. For instance, print media, such as weekly newspapers, cannot be used to target consumers who want to buy cameras.

4. Not distinctive:
Even if you pay for a full-page ad, there's always a danger that it will be lost amid the many other advertisements printed in print media.

5. Higher cost:
Getting published on print media can be highly expensive.

- **Outdoor**

Meaning:

Using highway billboards, transit posters, and other outdoor media, outdoor advertising conveys the message to the wider public. Because to the generous size and universal visibility of outdoor advertisements, they are a particularly significant kind of advertising. The delivery of the message should be clear and concise, which is a crucial component of advertising.

Although photos are allowed, they must not be utilised excessively. Everything should be presented to the audience in a way that will influence their decision to purchase the good or service.

Apart than billboards, there are a number of additional ways that outdoor advertising can be done. For instance, beverage corporations use arenas and athletic events to promote their goods. Coca-Cola, for instance, sponsored the FIFA World Cup. The following locations also have outdoor advertising:

- **Buses**

Bus shelters targets a large pool of audience by providing high visibility to different places. It creates impact due to size, the brightness level, and eye-catching position and tries to have a long-lasting impact on people who walk past these places.

- **Railways**

Trains also play an important role in outdoor advertising as companies can reach a large audience, like tourists, working professionals, business people, students, children, families, etc., use these modes for commuting from one place to another.

- **Subways and Shopping Complex**

All these forms of outdoor advertising are very popular and extremely cost effective.

- **TV/Cinema**

Traditional marketing still places a high demand on various broadcast marketing platforms like radio and television. Businesses may quickly reach a wide number of people and increase brand awareness by utilising such broadcast marketing platforms. Because televisions make it easier to visually present things and illustrate how they work, different marketers and advertisers can create far better and more powerful ads using television. As a result, since viewers can see the actual qualities of things, television is the best medium for demonstrating a product's authenticity. Radio marketing is similar in that it involves promoting goods and services via various radio stations.

- **Mobile Advertising**

Any type of advertising that appears on mobile devices like smartphones and tablet computers is referred to as mobile advertising. Businesses can use SMS text ads or banner ads that are placed on mobile websites to advertise on these devices. In addition, downloadable apps and mobile games may include them.

Types of Mobile Advertising

- **Push notifications**

These pop-up windows show up on mobile devices. Consumers can receive these at any time. This implies that users can receive notifications even when they are not using an app.

- **Image text and banner advertisements:**

When a user clicks on one of these ads, a browser is opened that directs them to the advertiser's page

- **Click-to-download advertisements:**

These advertisements direct users to the Google Play or Apple App stores when they click on them. The location is determined by the device and operating system used by the consumer.

- **Ads with a "click-to-call" button:**

Marketers provide users the option to use their smartphones to call them immediately by clicking on their advertising.

- **Click-to-message advertisements:** When a user clicks on one of these ads, they are led to send the advertiser an SMS.

5.6 SUMMARY

- Advertising research is conducted to determine which advertisements will be most successful with the target audience. It focuses on the optimum utilisation of advertising budget, the media used to carry out an advertising campaign, the impact of advertising on the intended audience, and to make advertising more affordable.
- Pre-testing is the process of evaluating a message or piece of copy before printing or broadcasting it. It is necessary to ensure that the message, "prevention is better than cure," has been effectively communicated.
- Two pre-testing techniques are concept testing and consumer jury testing. Concept testing involves asking clients what they think about

the concepts, while jury testing involves selecting one or two ads out of several being examined.

- Copy testing is a specialised field of market research that assesses an advertisement's performance based on reactions, feedback, and consumer behaviour.

- Ad-Tracking is the routine assessment of the evolution of the effects of ads. It involves the use of URLs, cookies, and even invisible pictures known as "pixels" to measure clicks, impressions, conversions, and other actions.

- Ad-Recall is the practise of speaking with a group of people after an advertising has run to find out what, if anything, the respondents remember about the advertisement.

- Surveys include exposing respondents to an advertisement, sending a follow-up survey, analysing the results, and understanding the attitudinal pattern of the target audience and customers reaction.

- The most important details are that the business should conduct a SWOT analysis, establish the goal, identify the target audience, choose the right media, budget the budget, create the ad, choose the launch day and time, and evaluate the campaign's effectiveness in terms of awareness, reach, lead generation, customer acquisition, sales, and profits.

- Media research is the study of the impacts of various mass media on social, psychological, and physical elements. It covers a research on the evolution of media as well as media's accomplishments and consequences.

- Mobile advertising is any type of advertising that appears on mobile devices like smartphones and tablet computers, such as push notifications, image text and banner advertisements, click-to-download advertisements, and clicks with a "click-to-call" button.

For Reference

	Single Concept (Monadic)	Multiple Concept (Sequential)	Concept Selection (Comparative)	Selection & Evaluation (Protomonadic)
How it works	Respondents evaluate a single concept in detail	Respondents evaluate multiple concepts in detail	Respondents choose the concept they like best from a selection	Respondents choose their preferred concept and then evaluate it
Question structure	1. What do you think about this concept? 2. Give details	1. What do you think about this concept? 2. How about this other one?	1. Which of these concepts do you prefer?	1. Which of these concepts do you prefer? 2. Why did you choose that one?
Advantages	Unbiased evaluation of each concept Fast response time Provides in-depth contextual details	Provides contextual details Tackles several concepts at once thus cheaper Requires few respondents	Fast response and fast results Easy to analyze results	Fast response time Best suited for choosing a winning concept, with contextual details Validates a winning concept
Disadvantages	Requires a large audience May be costly and take long if there are several concepts	Longer response time thus poorer response rates Likely to introduce order bias to successive concepts	Provides a shallow output	Does not provide contextual details for every concept

Source: Geopoll

5.7 QUESTIONS:

1. What do you mean Copy Testing? Explain the various techniques of Copy Testing.

2. Explain the concept of Ad-Tracking and elaborate on its importance in Advertising.

3. Explain the concept of Ad-Recall and Ad-Comprehension.

4. Elaborate various stages of Advertising Research.

5. What do you mean by Advertising Media Research? Explain several types of Advertising Media.

6. Short Notes:
   i. Print Media
   ii. Outdoor Media

7. Multiple Choice Questions:

A. ____________ is the periodic measurements of the impact advertisements over time.
(Ad-Tracking, Ad-Recall, Ad-Comprehension)

B. _____________ is a technique in which various methods including word association, sentence completion, depth, interview, and storytelling are used.
(Rating scale, Consumer Jury, Psychological Copy testing)

C. ______is not the best method to get the word out about your business if you are targeting a global audience.
(Print media, SWOT Analysis, mobile advertising)

D. __________was the first to designate cookies as personal information.
(General Data Protection Regulation (GDPR), Advertising Research, Ad-Recall)

E. ________is the study of the effects of the different mass media on social, psychological, and physical aspects.
(Media Research, Print advertising, Outdoor advertising)

F. In a_______ the efficacy and reach of an advertisement are evaluated by having a subject name any memorable advertising messages.
(Recall Test, Attitude Measurement Test, Concept Test)

G. In ________ a one-on-one interview may take place, or a group of 50 to 100 individuals could be gathered and asked to cast votes based on their interests, preferences, or even how likely they were to purchase the product.
(Rating Scale Test, Consumer Jury, Sales Tests)

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6

BRAND RESEARCH

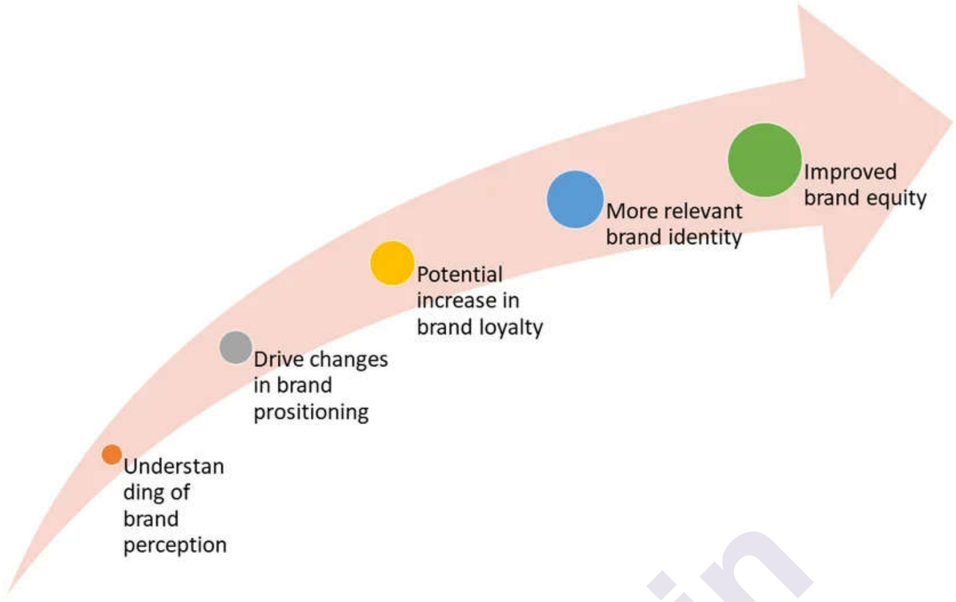
Unit Structure

6.0 OBJECTIVE

- To Study the concept and importance of Brand Research.
- To understand Brand Equity Research.
- To understand the applications and importance of Brand Valuation Research
- To understand Corporate Image Measurement Research.

6.1 INTRODUCTION

Brand Research is the process of looking into many facets of a new or established brand to gather knowledge that can be used to create brand value. Brands are the result of many interrelated variables. A brand is more than just the goods and services it provides; it also has an ethos, a personality, a distinctive visual identity, a vision, and an emotional impact on consumers. But there will always be an idealised vision of how a brand's overall branding is received, as well as the reality as perceived by its clients and the wider public.



Source: sapioresearch.com

Terms to understand in Brand Research:

a. Brand Awareness:

Brand awareness is a measurement of whether consumers are aware of the brand either voluntarily or involuntarily. That could entail naming the brand when prompted to list businesses in a particular industry (or from a logo, which we call brand recognition), or it could refer to brand recall, which is the ability to recall your brand after purchasing a product or seeing an advertisement or other form of marketing.

b. Brand Associations:

What else comes to mind right away when consumers think about your brand? Do you have a good reputation with your clients? Do customers believe your products to be pricey? Are you the environmental movement's poster child? You should evaluate each of these relationships surrounding your brand to see how they compare to your objectives. It's wise to be realistic and anticipate to find that customers have opinions on both sides of the coin because associations can be favourable or bad.

c. Brand Perception:

Brand perceptions are the general impressions people have of your brand, which differ slightly from the generally positive and negative elements of brand associations. Customers form little judgments about your brand every time they connect with it, whether it be passively by viewing an advertisement or actively by making a purchase or contacting customer service.

d. Brand Equity:

Equity is the value – perceived or actual – that your brand has over others of similar standing. As an example, Coca-Cola has much higher equity than an off-brand cola, even if the ingredients are largely similar. Think also about something as simple as hayfever tablets. Thanks to marketing and branding efforts, name-brand tablets tend to have a higher standing than the pharmacy's version, even if the ingredients and dosage are the same. That' s brand equity, in a nutshell.

e. Brand loyalty:

Metrics like NPS and CSAT, which measure brand loyalty, are used to gauge customer repurchase and referral rates. Strong indicators of the success of a number of smaller elements, such as the calibre of your products, the effectiveness of your customer service, and the success of your marketing initiatives, include high brand loyalty. Even if there is a more competitive product elsewhere, brand loyal clients are more likely to choose you than a competitor.

f. Brand Preference:

A measurement of brand preference shows how many customers would choose the brand's products over those of a competitor. Brand preference is more inclusive than brand loyalty since it takes into account the opinions of those who have never made a purchase from the company. Customers that are accustomed to and passionate about the brand are the focus of brand loyalty. This is comparable to brand equity, where a preference for the brand indicates that marketing and branding efforts are having an impact.

6.2 BRAND EQUITY RESEARCH

The added value a firm receives from a product with a recognisable name as opposed to a generic version is known as brand equity. Calculating a brand's value is the process of measuring brand equity. To put it another way, it is the equal sum of money that a person or business is willing to spend on the brand.

It will assist in creating a powerful brand with high value and provide insight into other brand performance indicators, such as dependability, satisfaction, quality, loyalty, etc.

These indications show how consumers perceive your brand and eventually provide insight into whether they are truly pleased with it.

The three components of brand equity

1. **Brand Perception:** Brand perception is what customers believe a product or service represents, not what the company owning the brand says it does. In effect, the consumer owns brand perception, not the company.

2. **Positive or negative effects:** While a negative consumer response will have the opposite impact, a positive consumer response will improve a brand's reputation, products, and bottom line.

3. **Value:** Positive effects boost both tangible and intangible value. Tangible effects include an increase in income or profit; intangible effects include goodwill and brand recognition. Negative effects can reduce tangibles as well as intangibles. **For instance**, Uber was on the rise in late 2016, but a string of controversies involving anything from misogyny to espionage hurt the company's reputation, earnings, and brand value.

There are three core brand equity drivers that you need to track: financial, strength and consumer metrics:

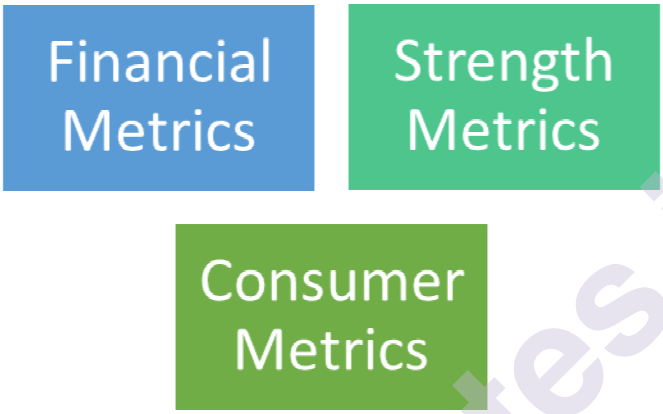


Figure: 6.1

1. **Financial Metrics**:To demonstrate that the brand is successful and viable, the C-suite will constantly demand to see a positive balance sheet. Market share, profitability, revenue, price, growth rate, client retention and acquisition costs, and branding investment should all be possible to estimate from the data. You can use reliable financial metrics data to show how crucial your brand is to the company and earn more money for marketing so that you can expand.

2. **Strength Metrics:**You must assess a brand's strength since strong brands are more likely to endure change and produce greater brand equity. You must keep tabs on the brand's accessibility, customer retention and loyalty, licensing potential, and "buzz" surrounding the brand.

3. **Consumer Metrics:** One must monitor consumer purchasing patterns and attitudes regarding their brand since consumers, not businesses, are the ones who create brands. Using surveys and social media monitoring, track and evaluate brand relevance, emotional connection, value, and perception. To gather sentiment and ideas, the proper text analytics software that can decipher open text comments is especially helpful.

Benefits of measuring Brand Equity:

- One will have a better knowledge of your target market's demographics—such as their location, interests, purchasing patterns, income level, gender, age group, etc.—if they measure brand equity.
- It will enable personalization of branding efforts and enable communication with the appropriate group of individuals.
- Assessing brand equity will provide a precise image of brand value that can be utilised for financial reporting, such as displaying the value in the balance sheet, tax purposes, securitization, legal proceedings, licensing, and even during mergers and acquisitions.
- The commercial evaluation of brand equity is crucial for developing marketing strategy and budgeting.

Difference Between Brand Equity and Brand Value

Basis for Comparison	Brand Equity	Brand Value
Meaning	Brand Equity is the worth of the brand that a firm earns through consumer consciousness of the brand name of the specific product, instead of the product itself.	Brand Value is the economic worth of the brand, wherein the customers are readily willing to pay more for a brand, to get the product.
What is it?	Attitude and Willingness of the consumer towards the brand.	Net present value of forecasted cash flows
Derived from	Customers	Product and Service Quality, Channel relationships, Availability, Price and Performance, Advertising, etc.
Indicates	Success of the brand	Total financial value of the brand.

Source: marketingweekly.in

6.3 BRAND VALUATION RESEARCH

Meaning:

Brand valuation is the procedure used to determine a brand's value or the price that another party is willing to pay for it.

A brand is made up of both concrete and abstract components that relate to a company's look, feel, positioning, messages, promises, and value proposition. Thus, brand valuation is an estimation of a brand's financial worth. There isn't a formula that is always used to estimate brand value. Nonetheless, every business has a unique model.

There are **three main types of brand valuation methods** –

a) the cost approaches

b) the market approaches

c) the income approaches.

Need of Brand Valuation:

1. Identify opportunities and competitive advantages:

Changes in growth plans might be sparked by understanding brand value in comparison to competitors. To succeed as a business, you must stand out in ways that add value rather than merely being different from other providers. Understanding the full scope of the industry and how it affects your firm is the only way to accomplish this. Via product / service adjacencies, geographic expansion, and M&A activity, possibilities to advance are revealed by identifying movements and trends in your brand's strengths. Before your rivals do, the right brand intelligence allows you to see where the market is headed. You can forecast market movements and make necessary adjustments when you keep a constant pulse on the dynamics around you and ask the proper questions.

2. Optimize and justify investment decisions:

Questions around brand-building investment shift from whether to invest to how much to invest after one comprehends and defines the value that brands provide. As you take on new activities like sponsorship or social media, whether at the corporate or product level, you will be able to determine precisely the impact your efforts have on corporate value if you have a strong standard of brand health. To assess predicted financial results, compare outcomes with related expenses, and evaluate the best levels of investment, you can model the effects of a projected rise in brand.

For example: Among the firms with the highest brand equity are typically Coca-Cola, American Express, and FedEx. Each of them is described as a business that communicates aggressively and shapes the environment of its markets. By influencing their markets in a way that plays to their advantages, they have been able to benefit from it.

3. Enhance Portfolio Decisions:

Enterprise brands, sub-brands, business lines, and product/service brands are just a few of the networks that companies frequently manage. You may fully comprehend the entire ecology of your brand portfolio by regularly watching and evaluating the state of each entity's brand. You can comprehend the relationships, influences, and "halo effect" that exist between the master brand and sub-brands, as well as the other way around. By being aware of this, you may make investments that will actually balance and streamline your portfolio.

4. Validate the efforts of the team:

Metrics and measurement bring science to the creative brand design process. Leadership and marketing teams can be judged fairly for their long-term stewardship and maintenance of the brand asset by using a concrete measure of impact. Marketing's standing at the management table is strengthened by developing a shared lexicon with finance. The work and outcomes for all departments are apparent since the return on branding can be determined and followed over time. This enables collaboration among all top managers for the best overall return on investment throughout the entire business. Everyone benefits when finance and marketing collaborate and work towards clear objectives.

Brand Valuation Approaches:

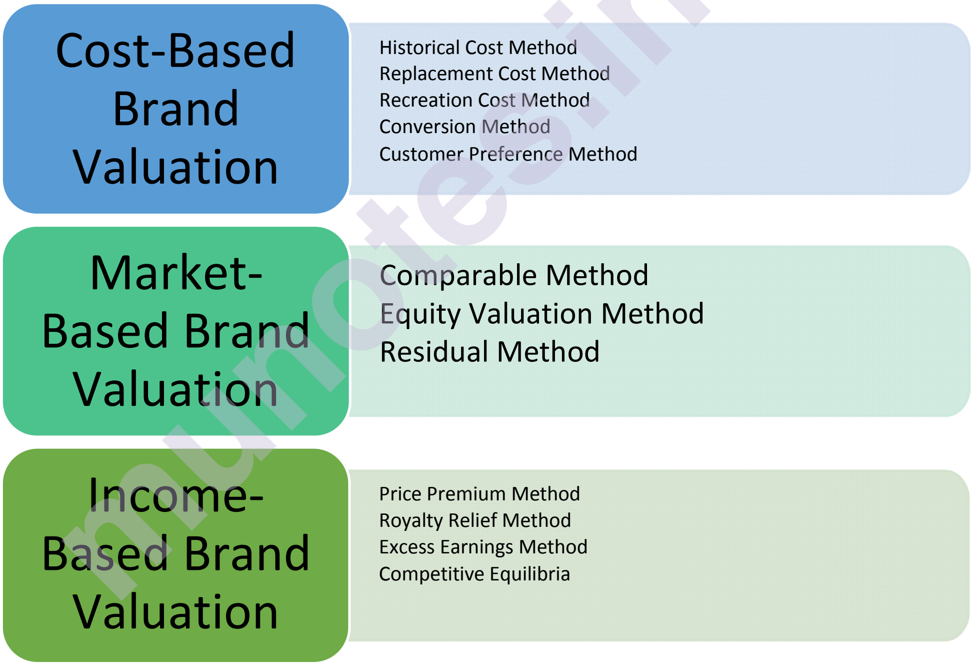


Figure: 6.2

1. Cost-Based Brand Valuation

a) **Historical Cost Method**

This brand equity measurement technique is really straightforward and easy. It is the total sum invested in creating a brand from the beginning to the present. It is the sum of each individual expense made to develop a brand, including advertising, marketing campaigns, promotion, licensing, and registration fees. A brand can be sold at its whole worth. In order to use this approach of calculating brand equity, you will need to determine the brand's current cost and assign a value to it.

b) Replacement Cost Method

In this approach of measuring brand equity, the brand's value is calculated after taking into account all costs and investments necessary to replace the current brand with a new one of comparable value.

c) Recreation Cost Method

Using the current prices, this method determines the current cost of reproducing a brand. The issues with the historical cost method are being attempted to be resolved by this way.

d) Conversion Method

By calculating the amount of awareness that would have to be created to reach the current sales level, brand equity can be calculated using the conversion method. This approach is based on the conversion model, which takes into account the level of client awareness that will lead to additional purchases. The outcome will be used to calculate the cost of brand equity, which is what is required to bring in new clients.

e) Customer Preference Method

In order to determine brand equity, this strategy uses brand awareness. When brand awareness rises, the market share changes, and this change is used to determine brand equity.

2. Market-Based Brand Valuation

a) Comparable Method

By using analogous transactions that took place in businesses in the same industry, this method calculates brand equity. The measurement takes into account the premium paid by other businesses with comparable products and then applies it to their own brand.

b) Equity Valuation Method

The brand value is determined using two parameters when brand equity is measured using the equity valuation approach. The first factor is the earnings that are made from investments that increase the demand for the product, like profitable advertising. The second factor is the cost savings associated with selling their branded goods. This may include the money saved when a new product is introduced because the brand is already well-known..

c) Residual Method

The brand equity that remains after any physical characteristics of the brand have been removed is taken into account by the residual technique of gauging brand equity. It is the amount that is left over after the market capitalization has been reduced by the net asset value. This approach measures brand equity in monetary terms, which is significant in situations like mergers and acquisitions.

3. Income-Based Brand Valuation

a) Price Premium Method

The price difference between a branded product and a generic product is first taken into account in this approach of measuring brand equity, and the difference is then multiplied by the overall volume of branded sales to get the brand value. This approach is predicated on the idea that consumers will pay more for a branded product's greater benefit since it offers them additional benefits.

b) Royalty Relief Method

A relatively common method employed primarily by many organisations is the royalty relief method of calculating brand equity. According to this method, brand equity is determined using the royalties that a company would have to pay if it didn't already own the brand to use the trademark.

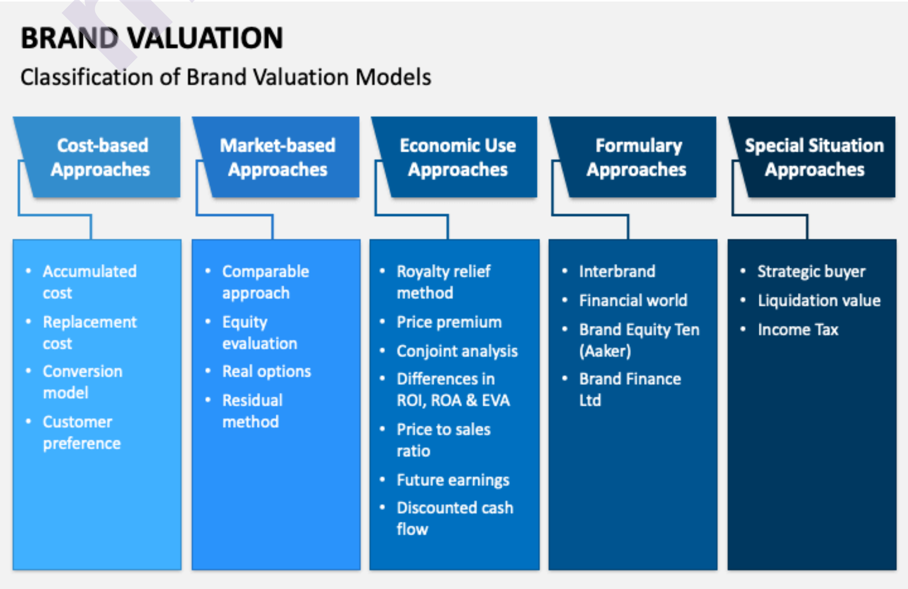
c) Excess Earnings Method

In this concept, brand equity is measured using intangible returns. Calculated returns on all material assets combined with financial assets are subtracted from the company's overall returns. The brand is then given a share of the surplus returns.

d) Competitive Equilibria

The brand earnings from the market share of the branded company are compared to those of an unbranded peer company, which is not described by criteria like price, distribution, investment, and marketing, in this approach of measuring brand equity. The brand equity value is then calculated by discounting the resulting value.

For reference



Source: sketchbubble.com

Steps for Brand Valuation:

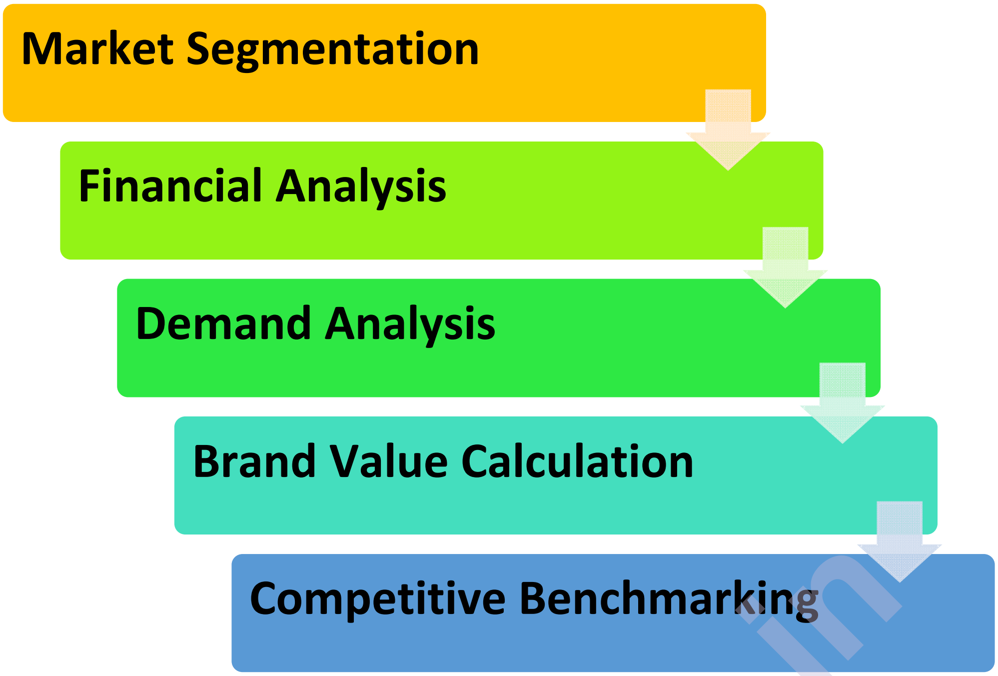


Figure: 6.4

1. **Market Segmentation:**

Customers' choices are influenced by brands, but the degree of that effect varies based on the market in which the brand competes. According to the relevant criteria, divide the brand's markets into non-overlapping and uniform groups of consumers. The brand is then valued in each segment, and the sum of the segment valuations represents the brand's overall worth.

2. **Financial Analysis:**

Determine and anticipate the brand's intangible revenue and earnings for each of the identified market categories. Brand revenue less operational expenses, appropriate taxes, and a charge for capital employed is referred to as intangible earnings. The idea is comparable to that of economic gain.

3. **Demand Analysis:**

Analyze the role that the brand plays in generating demand for goods and services in the markets where it operates and calculate the percentage of intangible earnings that can be attributed to the brand using the "role of branding index" as an indicator. The percentage of intangible profits produced by a brand is shown by the branding index. The role of branding index is multiplied by intangible earnings to determine brand earnings.

4. **Competitive Benchmarking**:

To get the precise brand discount rate that reflects the risk profile of its anticipated future revenues, determine the brand's competitive strengths and weaknesses (this is evaluated by an indicator called the "brand strength score"). This includes a thorough analysis of the competition as well as a structured assessment of the market, consistency, leadership position, growth trend, support, geographic reach, and legal protectability of the brand.

5. Brand value Calculation:

Brand value is the forecasted brand earnings' net present value (NPV), subtracted by the brand discount rate. The ability of brands to continue producing future earnings is reflected by the NPV calculation, which takes into account both the projection period and the period after.

6.4 CORPORATE IMAGE MEASUREMENT RESEARCH

Meaning:

Similar to Brand Equity Analysis, a corporate image study measures how a business is viewed by its particular target market. The objective is to gain a deeper understanding of the opinions, sentiments, and expectations that consumers or clients in that target market have for the brand. Because of this, determining the target audience is essential to a company image study's effectiveness.

Brand research and corporate image research are frequently conflated. The reach of corporate image, on the other hand, is far broader and goes far beyond the brand. It has to do with the business and how clients, partners, and rivals view it.

Corporate Image Measurement Research answers the following questions:

- How do customers perceive my company?
- What distinguishes my company from competitors?
- How to attract customers?
- What do my customers pay attention to?

Scope of Corporate Image Research:

- Corporate image study examines how a target client perceives a company's strengths and flaws.
- It incorporates both an emotive approach and components of a normal functionality assessment.
- Recommendations on how to strengthen positive components of the company image while eradicating negative ones are included with the summary of results.
- Clients can create a thorough Public Relations (PR) plan by conducting concurrent internal and external corporate image research.

- In the case of public relations campaigns, a first comprehensive study typically leads in the creation of a streamlined instrument that can be used on a regular basis to analyse changes in the company's image and the efficacy of marketing operations.

- Corporate image study often entails a quantitative assessment of the strength of (variable) characteristics of the intended or goal image as well as the actual image, given that these are the areas that typically contribute to a company's image. It is feasible to follow any changes, whether positive or negative, by tracking the strength of such qualities. This can also be used to measure how well corporate image efforts are working.

Benefits of Corporate Image Research for the company:

Figure: 6.5

1. Enhances Customer Loyalty:

People today have a variety of options when choosing a single thing to purchase. Companies employ a variety of techniques to win the loyalty of their existing consumers and draw in new ones in a highly competitive industry. A strong brand reputation can assist you in attracting clients and winning their loyalty. For instance, businesses today take part in social initiatives including aiding the needy, educating youngsters from disadvantaged backgrounds, and promoting environmental issues.

2. Helps in ensuring the quality of products:

The way a firm is marketed has a big impact on how well its products perform. More than ever, people are conscious of their options and can reject one company's products in favour of those from another. A business with a good reputation can easily sell its goods while spending less on advertising.

Individuals, **for instance,** have complete faith in the quality of Apple's phones and other technology products. Because Apple has maintained a strong corporate image from its beginnings and has consistently positioned itself as a leader in the smartphone market.

3. **Aids in influencing the Company's Personnel:**

Employees of a firm represent the company in the marketplace, and their activities have a significant impact on whether or not the company's reputation is positive or negative. Nonetheless, it is not incorrect to assert that a company's corporate image also affects the behaviour of its personnel. Employees will feel obligated to behave appropriately so as to not damage the company's reputation if they are affiliated with a strong and positive corporate image.

4. **Helps to improve company's Commercial Image:**

Individuals have doubts about how their money will be invested. Their investing choices were heavily affected by the company's corporate image. A poor corporate reputation will impact sales as well as turn away investors.

Process for conducting a Corporate Image Research:

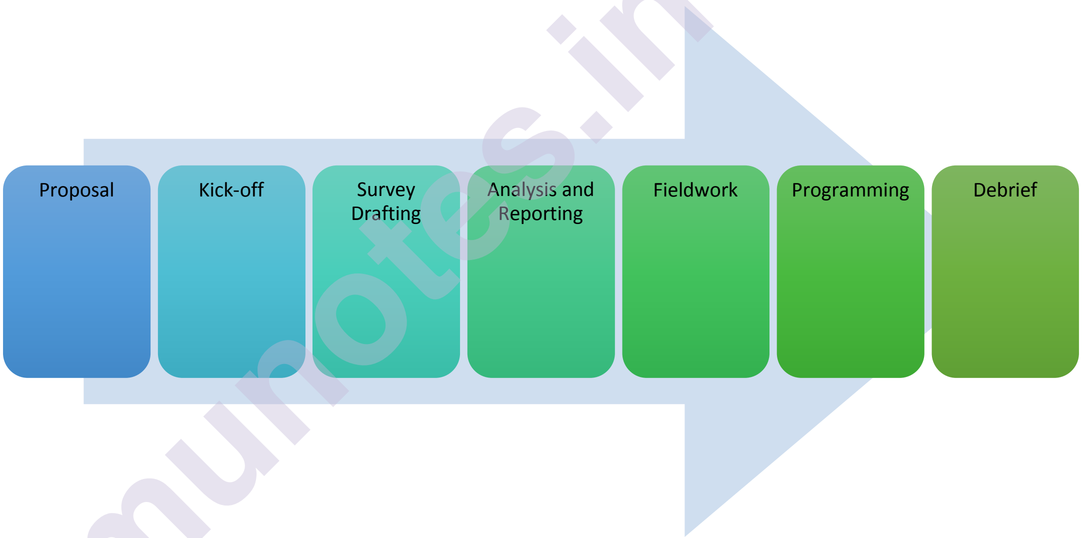


Figure: 6.6

1. Proposal:

The process beings in proposal phase where the goals and objectives of the study are defined.

2. Kick-off:

After the proposal is signed off on, a kick-off is held to re-confirm the details of the study, timeline, expectations, and next steps.

3. Survey drafting:

After the kick-off meeting, the next step is to draft the survey. Depending on the study, some surveys are considered final after one or two drafts. Other studies may take several drafts to finalize.

4. Programming:

Once the survey is finished, this step is taken. Usually, it takes one to two people to finish. Before sending the survey to real respondents, our market research company offers our clients the chance to test and analyse it.

5. Fieldwork:

Launching the study's fieldwork comes after the survey has been designed and implemented. In rare circumstances, fieldwork might be finished in just 24 to 48 hours.

However, fieldwork can take a few weeks to accomplish, depending on how challenging it is to contact the target demographic. It can be harder to survey B2B audiences than B2C audiences.

6. Analysis and reporting:

After the fieldwork is finished, the team starts the analysis and performs data quality checks. Report writing then follows. One to two days can be used to complete a top line report. Usually, a thorough report takes one to two weeks.

Included are consumer personas, an infographic, recommendations, an executive summary of the main findings, etc.

7. Debrief:

The team arranges a one-hour meeting to go over the findings, share their ideas, and discuss the next actions after sending the written report. This is a crucial stage because while providing insights is one thing, comprehending and using the data effectively is quite another.

6.5 SUMMARY

- Brand Research is the process of looking into many facets of a new or established brand to gather knowledge that can be used to create brand value.
- Brand Equity is the value the brand has over others of similar standing, such as Coca-Cola having much higher equity than an off-brand cola, and hayfever tablets having a higher standing than the pharmacy's version. It is important to be realistic and anticipate to find that customers have opinions on both sides of the coin. Brand loyalty measures customer repurchase and referral rates, while brand preference measures customer preference.
- Financial metrics include market share, profitability, revenue, price, growth rate, client retention and acquisition costs, and branding investment.
- Brand valuation is the procedure used to determine a brand's value or the price that another party is willing to pay for it. There are three

main types of brand valuation methods: cost-based, replacement cost, and recreation cost.

- Equity Valuation takes into account earnings from investments that increase demand for the product, cost savings associated with selling their branded goods, and the residual Method takes into account the amount that is left over after the market capitalization has been reduced by the net asset value.

- Royalty Relief method takes into account royalties that a company would have to pay if it didn't already own the brand to use the trademark, and excess earnings method uses intangible returns to calculate the brand equity value.

- Market segmentation involves dividing the brand's markets into non-overlapping and uniform groups of consumers, while financial analysis involves determining and anticipating the brand's intangible revenue and earnings for each of the identified market categories.

- Benefits of corporate image research include enhancing customer loyalty, attracting clients, and promoting social initiatives. A strong corporate image can help ensure the quality of products, influence the company's personnel, improve the company's commercial image, and influence investing choices.

For Reference

Source: mbaskool.com

6.6 QUESTIONS

1. What do you mean by Brand Equity Research? Explain its benefits and approaches.

2. What do you mean by Brand Valuation Research? Explain its benefits and approaches.

3. Explain the concept of Corporate Image Measurement Research and its benefits.

4. Explain the scope of Corporate Image Measurement Research and its process.

5. Multiple Choice Questions:

i. _________research is an analysis of a company's strengths and weaknesses viewed by a target customer.

(Brand Valuation, Brand Equity, Corporate Image)

ii. The role of ________represents the percentage of intangible earnings that are generated by the brand.

(Demand Analysis, Financial Analysis, Branding Index)

iii.The __________ focuses on the present value of the economic benefits which the brand shall generate in the future.

(Income Oriented Approach, Cost Based Approach, Market Oriented Approach)

iv. ___________are defined as brand revenue, fewer operating costs, applicable taxes and a charge for the capital employed.

(Demand Analysis, Intangible Earnings, Competitive Benchmarking)

v. Brand value is the __________of the forecast brand earnings, discounted by the brand discount rate.

(Net Present Value (NPV), Royalty Relief, Branding Index)

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7

UNDERSTANDING AND APPLICATION OF TOOLS USED FOR MARKETING ANALYSIS

Unit Structure

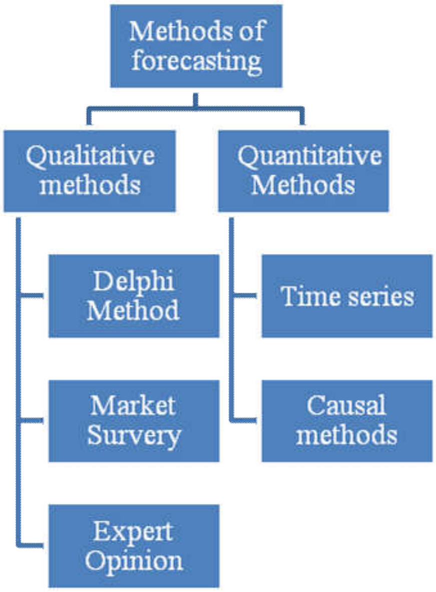
7.1. FORECASTING MODEL

As everyone is aware, business and economic situations fluctuate over time. It becomes vital for management to be informed about the impacts that changing economic and business circumstances are expected to have on their enterprises. Management could be put in a bad position that results in losses if there are no realistic forecasts.

In reality, forecasting is necessary in a variety of areas. Consider the government, for instance. In order to create the right policies for effective governance, it must produce forecasts about population expansion, jobs, income, etc. Forecasting is crucial in the educational sector as well. In summary, we find that forecasting is crucial for making plans for the uncertain future in several business fields.

The process of making a forecast is broken down into five distinct steps. To begin, one has to determine what their goals are for the prediction. Second, a choice has to be made on the time frame that the forecast will cover. The third step is to decide on the approach or technique that will be used for the forecasting. In the fourth step, the required information should be gathered. Finally, a forecast must be made.

Forecasting Methods



- **Qualitative methods**

It is a method of making statistical forecasts about the future that relies on the use of knowledgeable judgement rather than on the application of numerical analysis.

- **Delphi Method**

Delphi is forecasting method used for prediction of qualitative information about the future. The results of several rounds of surveys distributed to a panel of experts form the basis of the Delphi technique. Each expert receives a summary of the results from the previous round of surveys after each round, allowing them to modify their responses in light of the group response. The decision taken by the entire group is intended to be the ultimate outcome. In contrast to other kinds of interview groups, Delphi method enable the experts to revise and improvise their thoughts in light of others' opinions, leading to a more deliberate approach.

- **Market Survey**

This approach involves personally contacting consumers about their purchases. To get information from the consumers, surveys may be conducted by phone conversations, in-person interviews, or questionnaires. To assess customer behavior using this strategy, considerable statistical analysis is needed. The market survey's primary objective is to provide marketing and business executives with a platform to gather crucial consumer data in order to maintain current customers and attract new ones.

- **Expert Opinion**

Professional market experts have in-depth understanding of numerous demand factors. Their experience, skills, and access to information all contribute to determining future demand. Interviews and questionnaires are effective strategies for gathering unbiased information from these sources. Experts might also be consulted by the company to acquire forecasts. Dealers, suppliers, distributors, consultants, and trade groups are among the specialists. These experts provide their estimates either individually or collectively in the form of a pooled individual estimate. Along with the estimations, they also highlight key assumptions. The corporation contacts them on a regular basis to gather their input on the future level of company sales.

➢ **Quantitative Forecasting Methods**

Quantitative ways of forecasting are effective in project settings in which quantifiable, historical data is available. These techniques are often used in predicting for the short-term or the intermediate-term time periods. Two major categories may be used to classify these techniques:

- **Time series**

A time series is described as a set of observations gathered at regular intervals across time. Time series analysis is a technique for examining the properties of the response variable with regard to time, as the predictor variables. For a business, a time series can be the monthly demand statistics for a product for the last 10 years. The idea that the behavior of data in the past may be used to predict the behavior of data in the future is the core concept that underlies time series analysis. The long-term movement of data across time is referred to as a trend. According to the definition, time is the independent variable, whereas the data or observations that we are interested in are the dependent variable. The data might show no trend, as shown by Data 1, a linear trend, as shown by Data 2, or exponential growth, as shown by Data 3.

Time period	**1**	**2**	**3**	**4**	**5**
Data 1	40	40	40	40	40
Data 2	15	20	25	31	36
Data 3	35	100	250	374	560

- **Causal methods**

If relevant information is available on the key variables, causal techniques provide forecasts that are accurate. The three main benefits of causal approaches are as follows. First, compared to time-series approaches, these techniques are better able to estimate when sales may change. Second, compared to what would be feasible with time-series approaches, the adoption of these methods significantly minimizes the amount of the random component. Third, using such methodologies allows for a better understanding of causal links. The management's decision-making process is streamlined as a result of this. One of the most useful approaches to analyze and predict the trend aspect of a time series is regression analysis, which falls under the category of casual methods. Linear regression analysis is one of the methods that falls under this category. Given by is the equation for a straight line as follows

$$y_t = \mathbf{a + bt + e}$$

Where y_t is the project variable's value at time period t, b is the line's slope, a is intercept with y axis at t = 0, and e is its forecast error.

7.2 DISCRIMINANT ANALYSIS

The characteristics that differentiate between two or more naturally occurring categories may be determined with the use of a technique called discriminant analysis.

Researchers often use a statistical technique known as discriminant analysis in order to evaluate the variables under study whenever the dependent variable in discussion is of the categorical type. The dependent variable can be classified into a variety of groups, such as age, gender, occupational status, salary, etc., while the independent variable is of an interval nature, which means that the same difference or ratio can be found between any two consecutive variables. For example, the difference in marks between 40 and 60 will be the same as the difference between 70 and 90 marks.

Discriminant analysis focuses on the following:

Finding combinations of independent variables with the help of which it may be feasible to segregate groups of objects by maximizing the variance between groups in comparison to the variation within groups, is the objective of this analysis. Putting together a set of guidelines that may be used to classify new people, whose traits are already known, as belonging to one of two groups. Examining the values of the group means to determine whether or not there are statistically significant differences between the groups.

The following is a step-by-step approach for conducting discriminant analysis-

1. Define the nature of the problem.

2. Determine an estimate for the discriminant function's coefficients.

3. Evaluate the importance of the discriminant functions.

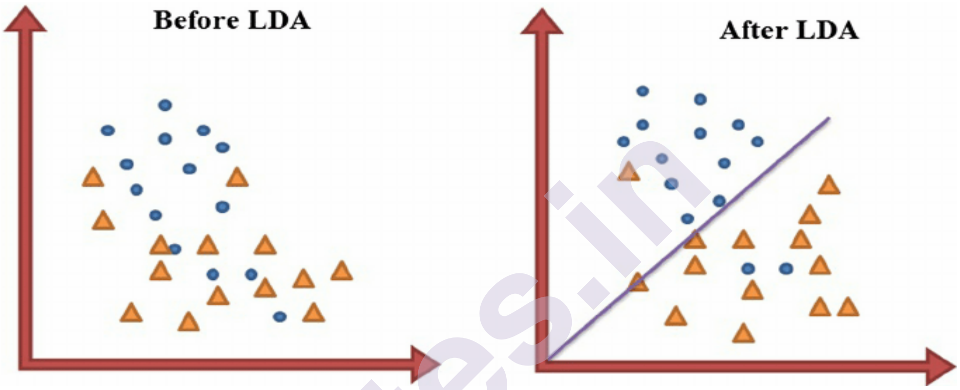
4. Interpret the findings.

5. Evaluate the validity.

The statistical method known as discriminant analysis may be broken down into two subcategories: linear discriminant analysis and quadratic discriminant analysis.

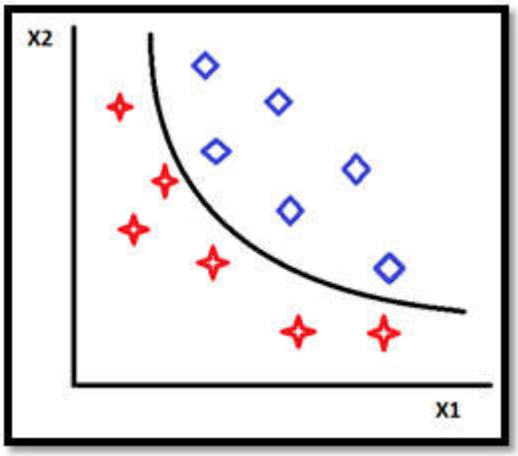
Linear Discriminant Analysis (LDA)

It is an approach that makes an attempt to forecast the class of the Dependent Variable by making use of a linear combination of the Independent Variables. It makes the assumption that the independent variables have a normal distribution and that each class has the same variance and covariance. Both categorization and dimension reduction may be accomplished with the help of this method.



The Bayes Theorem is used by the LDA model to calculate the probability. They create estimates based on the likelihood that a fresh input dataset will belong to one of the classes. LDA first determines the output class, which is the category that has the greatest probability, and then it makes a prediction. The Bayes Theorem, which calculates the likelihood of an output given its input, is used to make the prediction. This is done in a very straight forward manner. In addition to this, they utilize the probabilities associated with each class as well as the information that belongs to that class.

Quadratic Discriminant Analysis (QDA)



In Quadratic discriminant analysis the dependent-variable class can be predicted using quadratic combinations of the independent variables; this method is a special case of Linear Discriminant Analysis (LDA). The assumption of a normal distribution is maintained despite the fact that it does not presume that the classes have an equal covariance. On the other hand, dimensionality reduction is not possible with QDA.

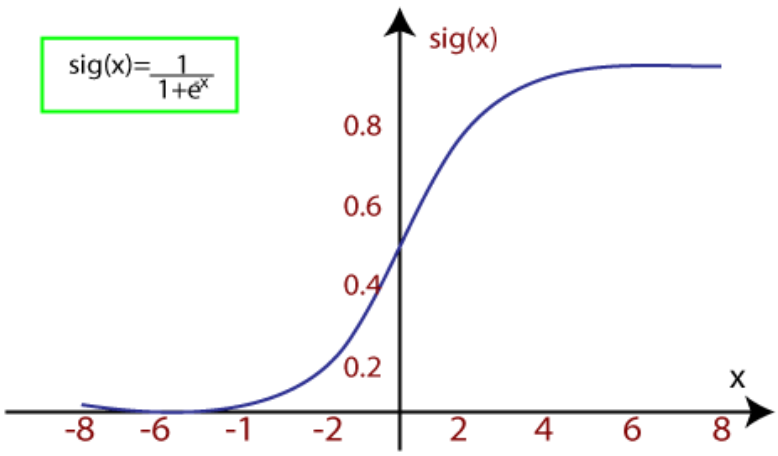
7.3 LOGISTIC REGRESSION

Regression

When the correlation coefficient between two variables is zero, we are unable to predict that there is no relationship between the two variables; instead, it is possible that the relationship between the variables is nonlinear. This is one of the drawbacks of Karl Pearson's coefficient of correlation. Additionally, the coefficient of correlation does not explain if variable X is affecting variable Y or if variable Y is impacting variable X. It just shows that there is a relationship between the two variables. Therefore, we used regression to overcome these constraints. A dependent variable's relationship with a set of independent variables can be explained with the use of regression analysis. Using the results as a foundation for making predictions and other types of inferences is helpful. For example, the amount of money a customer spends at a retail business might be described by factors such as the customer's salary, the size of his family, the customer's age, and so on.

One of the statistical methods that is employed the most often in order to determine the nature of the relationship that exists between a dependent variable and independent variables is the regression analysis. Regression analysis is a tool that may be used in the field of marketing to make forecasts about the sales of a product (the dependent variable) by taking into account different characteristics of customer (Independent variables).
To be more precise, regression analysis enables us to get a better comprehension of the manner in which the magnitude of the dependent variable varies in response to an independent variable, provided all of the other independent variables remain constant. There are various types of regressions, including linear regression, regression based on decision trees, logistic regression, and so on.

Logistic regression



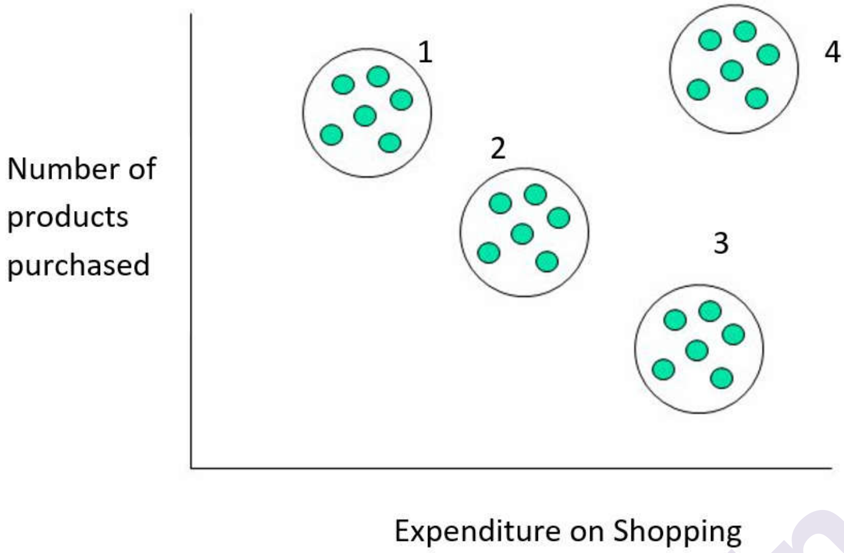
Logistic regression is a type of analysis approach that can predict a binary result, such as no or yes, based on past measurements of a data set. A logistic regression model is one that makes predictions about a dependent variable by examining the relationship between independent variables that already exist. For instance, one may use a logistic regression to forecast whether a certain parliamentary candidate will succeed or lose an election, or if a particular student from high school would be accepted or rejected into a specific institution. These binary outcomes provide the opportunity for clear decision-making between two options. Logistic regression is a method that deals with categorical variables such as Zero or one, Right or Wrong, False or True etc. Logistic regression is a subcategory of regression, although its algorithmic implementation differs from that of linear regression in terms of how the two types of regression are often used. Logistic regression employs the sigmoid or logistic function, which is a sophisticated cost function. In logistic regression, the sigmoid function is utilized to model the data. The function may be expressed as follows:

$$f(x)= \frac{1}{1+e^{-x}}$$

f(x) represents value between 0 and 1, x is the input to the function and e represents natural Log.

7.4 CLUSTER ANALYSIS

Cluster analysis is a multivariate technique for grouping data into uniformly sized groups called as clusters. The object inside a cluster resembles other objects in same cluster and differs from objects in other clusters. The person or object inside a cluster resembles other things inside a cluster and differs from things in other clusters. Both cluster analysis and discriminant analysis are related to data classification. In contrast to discriminant analysis, cluster analysis doesn't require any prior information about the group of people being analyzed.



In the hypothetical example above, four distinct clusters are created based on two variables: number of products purchased and expenditure on shopping. There are six individuals or data points in each cluster which indicates identical behavior. In the first cluster, which consists of six people, customers makes a lot of product purchases but spends less money on shopping. While cluster 3 consists of those who make less product purchases but spend more money on shopping. In similar way other homogeneous clusters are formed. Cluster analysis assists in classifying individuals based on their similarities and differences. The higher the similarity between two data points or persons in each cluster, the shorter the distance between them.

Steps in cluster analysis

1. Framing the problem.
2. Measurement of distance.
3. Choosing the clustering method to be employed.
4. Choosing the appropriate number of clusters to use.
5. Analysis of the clusters solution and validity.

1. Framing the problem.

The first and most crucial phase in cluster analysis is framing the problem, which consists of identifying and choosing variables for cluster formation. These variables might be chosen based on previous literature, theory, or proposed hypotheses. For example, the following variables may be utilized to cluster customers based on their attitude toward online buying.

V1: Online buying is a delightful experience.

V2: I would rather shop online than go to a store.

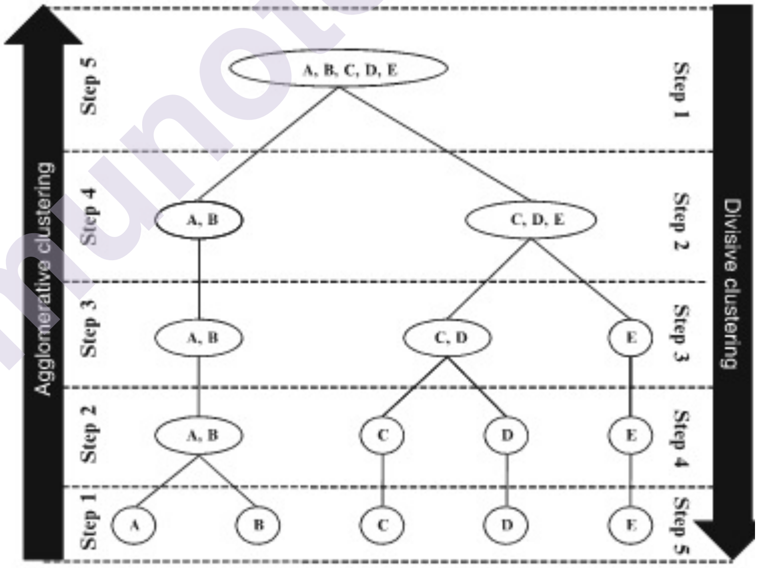
V3: I get a significant discount when I buy things online.

1. Measurement of distance.

Since the purpose of the clustering approach is to group objects that are comparable to one another, there must be some metric that can evaluate how comparable or dissimilar the objects are. The method that measures closeness in terms of the distance between two sets of items is the one that is used most often. Objects that are farther apart from one another in distance are less likely to be similar to one another than those that are closer together. The Euclidean distance and Chebyshev distance are other approaches used for determining how far apart two objects are.

2. Choosing the clustering method to be employed.

Clustering procedure can be either hierarchical or non-hierarchical. Clusters are graphically represented in a hierarchical tree in hierarchical process, which is further categorized as agglomerative and divisive. Agglomerative clustering is sometimes known as the bottoms-up approach, here the number of clusters is not defined. Each object is viewed as a distinct cluster; clusters are generated by grouping objects into larger clusters, and each cluster is gradually paired until all of the clusters are merged into a single cluster. The methodology known as Divisive clustering is a top-down method in which all of the items are first grouped together to form a single cluster and afterwards divided apart into several respective clusters, till every item represents its own distinct cluster.



3. Choosing the appropriate number of clusters to use.

When doing a cluster analysis, determining the appropriate number of clusters is a crucial step. Even if there are no set regulations, there are certain general recommendations that may be followed:

- Both theoretical and practical factors may indicate the existence of a specific number of clusters. For the management team's convenience, for instance, a certain number of clusters can be desired if the objective of clustering is just to determine the composition of the market.

- The criterion for combining clusters in hierarchical clustering might include the distances at which the clusters are located. This information may be acquired by referring to the Dendrogram diagram.

- When non-hierarchical clustering is performed, the ratio of net within-group variation to between-group variance may be displayed versus the number of clusters in the analysis.

- The clusters' relative sizes should have some significance.

4. Analysis of the clusters solution and validity.

The clusters may then be established based on the values of variables as well as the ways in which they vary from one another. In order to do this, we will have to evaluate the cluster centroids. The variations between the clusters may then be defined with the assistance of a comparison of the values of each variable found within each cluster. The clusters may now be characterized in terms of factors such as demographic characteristics.

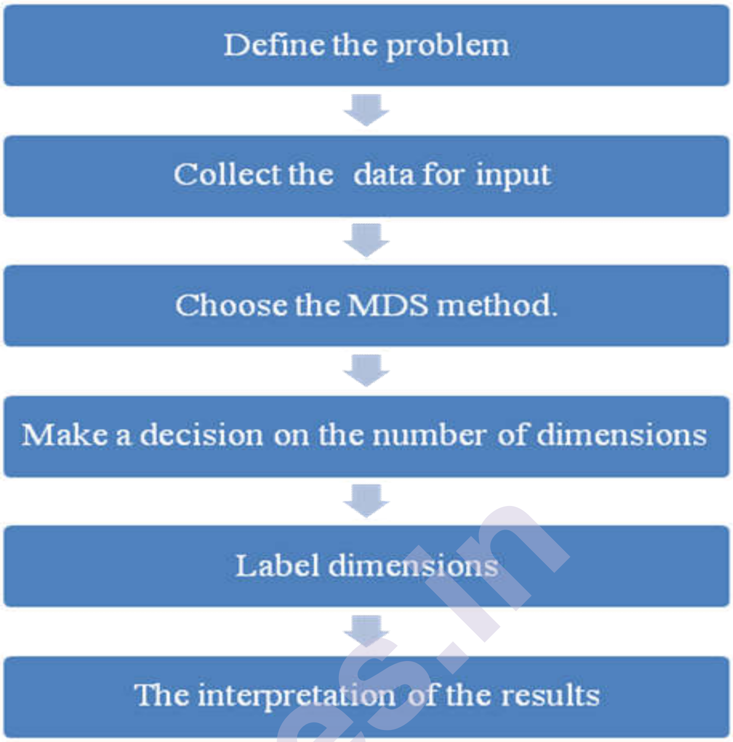
The processes that are detailed below include adequate checks to ensure the outcomes of the clustering are valid.

- Apply the cluster analysis method to the same data however this time use different distance metrics.
- Compare the outcomes of various clustering approaches.
- Divide the data at random into two halves. Carry out the clustering procedure individually on each half. Examine the differences between the two subsamples based on the cluster centroids.
- Remove variables randomly. Carry out the clustering procedure and examine the findings in comparison to those that were obtained by clustering the data based on all of the factors.

7.5 MULTIDIMENSIONAL SCALING

The term "multidimensional scaling" (MDS) refers to a set of methods that are utilized for the purpose of displaying perceived similarities through a visual display known as a "perceptual map." In this type of representation, perceived relationships are displayed geometrically as Euclidean distances inside a multi - dimensional space. The objects that are seen to be the most similar to one another will be shown by points which are the closest together, whereas the ones that are regarded as being different to one another will be the points that are the farthest away. This geometric pattern of points represents the "hidden structure in the data" and makes it much simpler to comprehend the connections that exist between the various objects.

Steps in Multidimensional Scaling



Define the problem

When it comes to problem formulation in MDS, the first thing that has to be addressed is the definition of the objective for which the findings are to be utilized. The next thing to do in the process of formulating a problem is to specify the total number of objects that will be used. MDS should not be tried with less than eight objects or with more than twenty-five objects, as a general rule.

Collect the data for input

It is possible to collect input data using either attribute-based approaches or non-attribute approaches. With attribute-based approaches, objects can be compared using Likert - type scale in terms of attribute-based perceptions of similarities. With non-attribute approaches, participants are asked to compare sets of objects in the context of overall preferences. Both of these approaches allow for the collection of input data. The two approaches often provide very different sets of findings. Direct approaches are usually difficult for the individuals being surveyed, and they provide a better picture of how people really behave. However, it is more challenging for the researcher to comprehend findings, and the dimensions that are obtained from the study may be impacted by the attributes of the objects that are being compared.

On the other hand attribute-based approaches, are less difficult to manage for the researcher and more easy to identify in terms of the multiple dimensions. They do, however, have the drawback that comparisons are limited to characteristics that are stated, which means that objects that vary on certain dimensions that aren't taken into consideration may be incorrectly labelled as being similar.

Choose the MDS method.

Multidimensional Scaling (MDS) technique are grouped into three types: classical, replicated, and weighted. The classical MDS approach, also known as CMDS, produces a single matrix that has an unweighted model. In weighted MDS (WMDS), each of the several matrices uses the weighted model, while in replicated MDS (RMDS), each of the several matrices uses the unweighted model. The choice of a particular MDS approach is determined by whether the data being scaled are perception or preference data, or if the analysis involves scaling of both types of data. Nonmetric MDS techniques make the assumption that the input data are ordinal, but the output that they produce is metric. On the other hand, metric MDS approaches begin with the presumption that the input data are metric.

Make a decision on the number of dimensions.

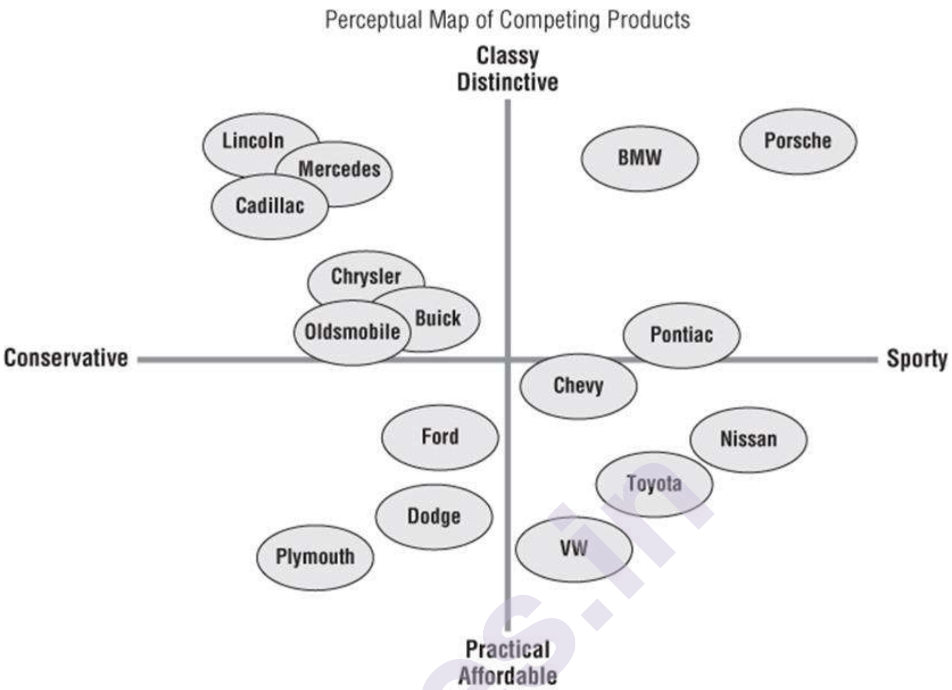
The rules below are provided for estimating the number of dimensions.

- Prior information, such as data gained through previous study, may point to the existence of a certain number of dimensions.
- It is challenging to understand configurations or maps that have been produced from more than 3 dimensions.
- It is important to investigate the relationship between stress and dimensionality. In most cases, the points on this plot come together to create a convex pattern. The occurrence of a sharp bend indicates the presence of the precise number of dimensions.
- There is typically little benefit to adding more dimensions beyond this stage in terms of better fit.
- It is often easier to deal with maps that just include two dimensions as opposed to those that involve more than two dimensions.
- Statistical methods are also available for determining the dimensionality.

Label dimensions.

When it comes to trying to label the dimensions the following guidelines could be of assistance:

Visual inspection of the configuration, along with the connecting of that observation to knowledge that is already known about the objects, is the quickest and easiest way to determine the dimensions. In the event that attribute data is used, the ratings that the object has assigned to its attributes can be connected with the dimensions in order to determine which attributes correspond with which dimensions. In the event of data that does not include attributes, the standard technique is locating certain variables that are anticipated to have a connection with the dimensions and then carrying out the same process as before. Quite frequently, the measurements stand for more than one characteristic each. Examining the coordinates of the objects and their placements in relation to one another might provide insight into the configuration.



The interpretation of the results

Examining the coordinates of the brands and their placements in relation to one another provides insight into the configuration. For instance, fiercer competition exists between brands that are physically close to one another. An independent brand will have its own distinct image. Brands that have already achieved a greater degree of success have a greater emphasis on that quality. Because of this, it is possible to comprehend the benefits and drawbacks of any product. The absence of certain features on the spatial map could point to untapped market potential for existing or new products.

7.6. CONJOINT ANALYSIS

Conjoint analysis is a type of statistical analysis used in market research to determine how consumers value various features of a company's goods or services. It seeks to determine the relative significance that customers assign to a variety of features, as well as the values that they attach to varying degrees of these attributes. It is based on the assumption that each product or service can be broken into a group of characteristics that ultimately influence how people evaluate the value of a product or service.

It seeks to determine the relative value that customers assign to a variety of features.

Take, as an example, the scenario in which a customer must decide between two different brands of phone: A and B. For selecting phone, he or she prioritizes brand, camera quality, and memory, in that order. When asked to rank the different brands on these characteristics using a five-point scale (range from 5 = very high to 1 = extremely low), she or he scores the brand according to their choice.

The goal of a conjoint analysis is to break down the customer's preferences for products into the utility that may be gained from different attributes. In order to properly formulate a problem, a researcher has to first determine the objective, after which they may choose the variables and their categories appropriately. The process of formulating a problem includes investigating the relationships between the variables. Identification of between six and seven attributes is the first stage in the process of formulating a problem. This may be accomplished by prior study, secondary sources, or qualitative research. The next thing that has to be done in order to formulate a problem is to figure out the appropriate ranges within which the attributes may differ between different respondents.

In order to perform Conjoint Analysis, the participants are prompted to associate every brand with a variety of characteristics. Participants are at liberty to assign as many characteristics to each brand as they see fit in their responses. The number of consumers who responded "yes" to questions about each brand's characteristics makes up the input data. In a full-profile method, respondents are presented with cards that describe total product or service profiles. For instance, respondents can be asked to either rank-order the profiles in order of preference this information can be used to gather information about respondents' overall purchasing intentions. The next step in the process is data interpretation followed by measurement of reliability and validity of findings.

7.7. CASE

The following table provides information on the manufacture and export of laptops by Logitech Pvt. Ltd. during the years 2000-2002 to 2005-2006.

Year	Laptop Manufactured (Rs Crore)	Laptop exported (Rs Crore)
2000-2001	54,789	14,589
2001-2002	68,574	33,547
2002-2003	80,578	45,621
2003-2004	98,755	57,899
2004-2005	1,56,785	68,742
2005-2006	1,69,877	87,456

Questions

1. Forecast Laptop manufacturing and exports for 2007-2008 using an effective approach.

2. Excluding the data for 2005-2006, use the series to estimate manufacturing and exports for 2005-2006. Compare your forecasts to actual output. If there is an error, how do you plan to measure it?

3. What factors would you examine while considering the effectiveness of a forecasting model?

7.8. SUMMARY

The process of generating predictions based on evidence from the past as well as the present is known as forecasting. Utilizing a method known as discriminant analysis allows one to ascertain the qualities that define the differences between two or more naturally occurring categories. Logistic regression is a kind of analysis that can make a prediction about a binary outcome, such as yes or no, based on previous measurements of a data set. The term "Cluster" refers to the equally sized groupings that are the end result of using the multivariate approach known as "cluster analysis." The term "Multidimensional Scaling" (MDS) refers to a collection of approaches that are used for the goal of exhibiting perceived similarities via a visual display that is known as a "perceptual map." In the field of market research, a conjoint analysis is a sort of statistical analysis that is used to identify how customers place a value on the many aspects of a company's products or services.

7.9. QUESTIONS

1. What are the benefits of MDS procedures?
2. What are the various forecasting methods?
3. What is the purpose of discriminant analysis?
4. What are some of the applications of cluster analysis in marketing?
5. What is the difference between logistic regression and linear regression?
6. What stages are involved in Multidimensional Scaling?

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